



# *Successful* SMALL FARMS

*"A study of successful small  
farms in Southwestern Manitoba"*

AGRICULTURE COMMITTEE  
Turtle Mountain Community  
Development Corporation





# Successful Small Farms

In

## Southwest Manitoba

January 2004

A project of the Agriculture Committee under the Turtle Mountain  
Community Development Corporation

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## **Acknowledgements**

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*Note that we have not used names of farmers, farms or communities. In order to have the financial information included, we needed to offer some degree of confidentiality.*

We also thank Sally and Carl Cunningham and Amanda Naughton for the thoughtful ways in which they interviewed the farmers. Amanda, Carl and Sally each commented on the wonderful experiences they had sitting around the table with their gracious hosts.

*This study was done in two stages. The first fifteen interviews in this document were conducted by Carl and Sally Cunningham. The last five interviews were conducted by Amanda Naughton.*

We thank the board members of the funding institutions for recognizing the common good behind this effort with their financial support. The funders are all named on the title page.

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## **INTRODUCTION**

Welcome friends, to a visionary piece of work.

Our aim is to attract more people to live and work on the land in our community. We want to highlight ways for people to make a living off of less rather than more land. Please join us as we:

- a. explore the viability of smaller-scale farms as a choice for new, immigrant or down-sizing farmers
- b. offer some council toward designing a smaller-scale farm and
- c. suggest contextual concerns that need to be answered or researched more deeply.

Please first, though, consider our collective dilemma. We as a prairie society want to continue growing and raising quality food for ourselves and for export, but we're steadily making it more difficult for our children to become farmers. Our rural population is shrinking and the goods and services we offer each other are becoming fewer. This state of affairs is not entirely of our own making, but it looks like it's up to us to turn the situation around. Southwest Manitoba is a wonderful place to live and I believe we dearly want our children to stay (or to go away for a time and return) to raise families and contribute to a vibrant, productive and creative rural society.

It has always been the task of agrarian societies to prepare the next generation of farmers – often against tough odds. Agrarian societies all over the world are (and all through the ages have been) vulnerable to being manipulated and undervalued by those who wield power. There have been countless peasant revolts and revolutions as workers of the land have resorted to violence to protect their way of life and to insist on fair returns for their labour. It seems we're choosing a different way of protest. We're telling our children not to farm. Contrary to our deepest desires, we're sending them to the cities and small towns to do anything but grow food for a living.

The reasons behind this shift are numerous and complex. In a nutshell, most farm families want to have less debt, more income and more leisure time to be with family. Most of us feel the only way we can succeed is by farming more land and buying larger equipment. The price of land remains high due to the resultant competition for land. The costs of equipment and inputs are steadily rising and the prices we're offered for the crops we grow are essentially staying flat. This means we have more debt, less income and less leisure time when all is tallied up. Why would we encourage our children to do this? There are options that appear to be more promising.

We increasingly hear each other comment on our loss of near-by neighbours. Forty years ago every half section of arable land had a homestead and a family with at least 3 children. In our municipality we've lost half of our population in the last four decades. With the loss of population our smaller towns are losing businesses, schools, churches, hospitals and ice rinks. We're not only losing people and institutions from the land and small towns, though. We're losing knowledge of the land and what it requires to sustain living communities (human and otherwise). We're losing hope for the future and consequently we're losing belief in our own worth and resourcefulness. And we're losing the will to turn the situation around. With this loss of will, we risk losing our place as keepers of fundamental human values: reverence for divine and cosmic influences, honest work with our hands, satisfaction in reaping the best food this good earth can provide and a unique appreciation for how our independence is coupled with community interdependence. If our children are to grow food we want them to do it with passion and a strong sense of ownership – not as employees of distantly managed firms.

The up side is that we're gaining farmers from more congested and regulated countries – like England, Holland and Germany. These immigrants see our big spaces and relatively low land prices as being their ticket to a more progressive, hassle-free life. We appreciate the enthusiasm and diversity this adds to our mix. We fear, though, that our new neighbours will only have a few good years before their imported equity runs thin and they abandon their vision within the first generation. We want more people on the land but we also want their choices to be well informed and their efforts to contribute to a sustainable community. There's plenty of room for immigration. But we should not let it distract us from the bigger questions: How do we make sure the profits from farming stay close to home so that we can confidently encourage our own youth to farm? How do we check the upward spiral of land prices so our youth can afford to buy in? How do we (re)establish the farming of this land as a cooperative effort?

Canadian farmers today are generating seven times the *gross* income they generated in 1970. But our *net* income has stayed the same. We know how diligently our neighbours and we have responded to the push for higher production. Those who are willing to benefit extravagantly from the work and vulnerability of farmers, though, always skim off the profits from this higher production. History has shown that nobody – governments, churches, universities or benefit concerts – will turn this situation around unless rural communities give the lead. We've heard it said that we only have three sources of power these days: governments, corporations and civil society. Nothing much, it seems, will change unless civil society convinces governments to act on their behalf. Homemakers and retail food outlets are doing their bit by asserting their preference for local, fresh food of the highest quality. There are niches opening for smaller, market-savvy farmers. The process, though, of providing vision and leadership to agriculture policy on every level remains a constant challenge.

With this document we're adding a rare voice to that rising leadership – a collection of small farmers from one region. They don't profess to have all the answers to our dilemma. In fact, just about every one of them laughed when we suggested they might have something to show the world. You'll be hard pressed to find fancy equipment on these yards and you may not be too impressed at first glance by their annual incomes but you may be impressed with their values, their financial ratios and stability. They're not your out-front-raising-a-raucous kind of leaders. Rather, they prefer to lead by example if we care to look their way. We invite you to read the stories and decide for yourself if these farmers are successful – in the contexts of their communities and in the context of what we want prairie agrarian society to be for our children, grandchildren and the world around.

Enjoy!

David M Neufeld - Chairperson  
Agriculture Committee of the Turtle Mountain Community Development Corporation

Big smiles and thanks to the wonderful committee who shepherded this document to completion. We are all farmers but we are quite diverse in the size of our farms and the way we farm our land. Some of us double as local government staff. We are a collection of individuals bound by our common love for the place in which we live and our belief that answers to our questions can in large measure come from our midst.

## **Introduction II**

### **Why a "Small Farms Project"?**

In Canada in the past few decades, we have seen a dramatic drop in the number of small farms along with the disappearance of families from the rural landscape. As the current farmers age, there are fewer young or beginning farmers becoming involved in the agriculture industry and new immigrants to Manitoba are not entirely aware of what farming in the province really involves. According to the 1996 census figures for Manitoba, farmers under age 35 make up 17.8% of the farm population, the average age of farmers is 57 years and the percentage of young farmers is decreasing. (Manitoba Agriculture Yearbook, 2000, Table 64, p.75). The population of the Rural Municipality of Morton decreased from 850 in 1991 to 760 in 2001 a decline of 10.6% and in the Rural Municipality of Whitewater, the population decreased from 790 in 1991 to 725 in 2001 a decline of 8.2%. Rural depopulation along with the perception of farms needing to be large scale to be competitive are the two main issues that this project seeks to address. Despite globalization trends, some farmers in Western Canada have been successful in providing the public with good news stories about smaller farm operations.

The Agriculture Committee of the Turtle Mountain Community Development Corporation (TMCDC) has obtained funding to implement a project that is unique to rural Manitoba. The project goal is to develop case studies and financial models from the initial interviews. Stories would be obtained from a variety of farm operators working in different enterprises who "believe" they are small by today's standards to find out what it is that makes them sustainable and profitable in the agriculture industry. The new measure of a "successful farm" may not be how many acres you farm, but rather, how few acres you require to achieve the quality of life you desire. Another measure of success may be "how many people can your farm operation support?"

### **Who is in charge?**

The TMCDC is a non-profit corporation whose original mandate was to "develop local population growth and to promote the establishment of new business and industry in the Town of Boissevain and surrounding area. The attraction and creation of meaningful business and employment opportunities can diversify the local economy to improve the quality of life for all people in the area." The Turtle Mountain Community Development Corporation's mission statement is "Creating Growth for the town of Boissevain, the RM of Morton and the RM of Whitewater".

Since the original inception of the TMCDC, the vision has expanded and now includes committees in the area of Education, Agriculture, Marketing, the Community Works Loan Program, as well as a committee that pursues new business opportunities.

The Agriculture Committee developed its own action plans to carry out its main goal of "repopulating our farming community", including:

- 1) re-population of our farming community through development of small farm business models and marketing of these models,
- 2) promoting agricultural studies in the school,
- 3) exploring value added processing ideas and
- 4) encouraging sustainable farming methods.

In an effort to encourage the repopulation of rural communities, the Agriculture Committee identified the Small Farms Project as a means of collecting information from a variety of farm operators who are working in different enterprises and who "believe" that they are small by today's standards, to find out what it is that makes them sustainable and profitable in the agriculture industry today. The information would then be shared with:

- farmers in the area interested in diversifying or down sizing,
- immigrants to rural southwestern Manitoba and
- youth in rural and urban communities who are considering a farming career.

### **Small Farms Project Objectives**

The objectives for the Small Farms Project are identified as:

- To interview at least twelve farm operators or families about their farm operation to develop an understanding of what makes their operation successful. (Anecdotal and financial information will be collected).
- To use the data collected to develop case studies that could be used to promote the concept of small farms that are successful in today's industry.
- To use financial information from the interviews to develop financial models into which individuals could electronically plug their own numbers to find out whether they too, could be successful with a similar farm operation. (for example, spreadsheets on a floppy disk or on CD-ROM).
- To actively promote the findings of the study through presentations at public meetings, news articles and releases and through the partners of this project.

### **Project Methodology**

#### **Personal Interviews**

The interviewing of the participants was done to provide a picture of fifteen farm operators who "believe" that they are small in today's standard to find out what it is that makes them financially sound while they continue utilizing sustainable farm practices. The interviews were conducted in person to provide a means to establish rapport with the respondent and to improve the reliability of the data. The interviews lasted between one and three hours. Participants gave final approval of the information for public

distribution. From these interviews, case studies and financial models will be developed and used to promote opportunities in agriculture.

The information is anecdotal in that the participants discussed their farming history, described their operation, described the land and facilities and discussed their marketing techniques and future plans. They also shared information from their financial statements and business plans. This financial information reflects valuations based on conditions which existed prior to May 20, 2003, the date on which the detection of BSE in Canada was announced.

### **The Stories**

The overall goal is to research and evaluate small farm operations across southwestern Manitoba for the purpose of finding out what makes them successful. These stories will be used to:

- Encourage those interested in starting a farm operation to see that it is possible to be profitable and sustainable even with a small land base and/or small investment.
- Promote the various farming scenarios to young farmers, immigrant farmers, real estate agents and school age youth for the purpose of illustrating that farming is a career opportunity that offers a comfortable quality of life.
- These stories will also be used to showcase 'small operations' to existing farmers who might be interested in down sizing but feel they can't be economically sound without the large investment

These stories are seen as a foundation upon which the TMCDC will promote the viable small farm concept to help repopulate the rural community, which will, in turn, help support the rural infrastructure and economy in southwestern Manitoba. This process could be reviewed and adapted for use by rural communities across the prairies.

### **Market Prospects**

This Small Farms document is seen as a useful tool in helping encourage young people to stay in rural areas and, by allowing interested people to see the opportunities in agriculture, they will be more inclined to live and work in the rural areas. The information obtained in this project will also help those interested in either changing their farm operation or those who would like to start a farm operation in making important management decisions.

As mentioned previously, this project could be promoted and adapted to other rural communities and even provinces. So the market for this study is not only local, but also regional, national and international in application.



## **Project Impact**

With more people living in rural areas, the social, economic and environmental quality of life will be greatly impacted in a positive way. A larger population base living in a rural area would mean a larger volunteer base for community projects, more businesses and services, increased tourism in the area and increased activity in dealing with environmental issues and concerns.

The project will have an impact on the farmers who have been interviewed. The interview process will allow participants to take a good look at their farming operations. Reviewing their financial statements and talking about why they farm, and why they chose to farm in a certain way, will open the door for discussion on what they can change to make their operations even more successful. The project will allow participants to showcase their successes and, possibly, failures from which others may learn.

The project will also have an impact on other stakeholders or partners. It will help the Turtle Mountain Community Development Corporation understand how small farms can be viable in today's agriculture industry when so many others are getting larger by taking on more acres in an attempt to be successful. The project will give the TMCDC the ability to effectively promote the area to potential residents, to farmers who are thinking of leaving the area or to youth who may be considering education and career options.

The potential impact of the project on the Agri-Food Sector would be to increase the number of farmers in the industry, increase in the number of farmers diversifying into other agricultural enterprises and to increase the sale of Made in Manitoba products locally, nationally and even internationally.

The impacts of the project on communities in rural Manitoba would be to encourage them to evaluate their quality of life, the products and services available, community infrastructure, community spirit and the viability and sustainability of their communities.

The "Small Farm Movement" is very strong in other places, like the United States and countries in Europe. Promoting and encouraging small farm operations has been one method of dealing with the rural depopulation that has been experienced internationally.

This small farm trend has not had the same impact in Canada as it has in other countries. This could be due to lack of understanding about what makes small farm operations successful. Agriculture communities across the prairies are adversely affected by rural depopulation, just as they are in the US and Europe. There is an opportunity to reverse this trend or, at least, to change attitudes towards farming.

Government programs that are currently acreage-based could be redesigned to recognize the strengths of "small farms" and their contribution to the future of agriculture in Canada. Perhaps the small farm movement is the answer to making our rural communities more viable and sustainable in the long term.

Carl and Sally Cunningham



*The first 15 stories and financial summaries were researched and written by Sally and Carl Cunningham.*

## **Story # 1 – Mr. and Ms. A**

### **In the Beginning**

Mr. A grew up and received his schooling in a rural community. After taking power engineering at a community college he chose to work in the city for almost eighteen years until the business for which he worked was closed. Although Ms. A was a self described "city dweller," they decided that the farm was where they wanted to raise their two daughters. Their start in farming began in 1985 with the purchase of three quarter sections of grain land and the availability of the family's farm equipment to get started.

Their hopes and dreams were to raise their family and "to make a living." For Ms. A it was also important that she be able to raise animals.

### **The Operation**

Although the farm initially consisted only of grain production, they started a beef herd with four cows in 1987. This has grown to a herd of 50 cows that are owned plus 21 cows that are leased.

The facilities consist of cattle shelters, barns, grain bins and an implement shed. In 1992 the family became involved with the a farm vacation association through which they provide visitors with access to goats, rabbits, chickens, geese, ducks, turkeys, a pot-bellied pig, a donkey and horses. One of their daughters provides riding lessons for guests and others in the surrounding community. A vacant school building has been moved onto the yard-site to provide facilities for lodging, meals and meetings to support the vacation farm component.

Current equipment includes a small tractor, trucks, a sprayer and a full line of haying equipment, all of which are owned. For the grain operation they make use of a four-wheel drive tractor, an air seeder and a combine which are owned by Mr. A's brother. In return, some of their equipment is made available for use on the brother's farm. They occasionally rent an oat roller and a tub grinder for preparing feed for the cattle. Some custom work for crop spraying and feedlot cleaning is obtained. A portion of the farm work such as fencing and the hauling of bales is done in co-operation with a neighbour.

In the grain operation the farm produces cereals, oilseeds and pulse crops. The beef cattle portion of the farm is a cow-calf operation with the calves normally being sold in the fall.

### **Land and Facilities**

Initially, the land was chosen "because it was available." Friends had recommended the land and it had the advantage of being close enough to the original family farm for the sharing of equipment.

After some changes to the original land plans, the farm now consists of three quarters of cropland (one quarter owned and two quarters rented) and a half section of rented pasture.

The facilities were added as the operation grew.

### Technical Expertise

Mr. A had grown up on a farm and he "learned by experience." Following Grade 12 he took Power Engineering training at a community college and progressed to a Class 2 standing. After starting farming he took a two-year agriculture business program at a community college and, through the last 11 years. Mr and Ms. A participate in tourism related educational opportunities.

### Financial

To start farming they used the proceeds from the sale of their house in the city as well as their pension funds. In addition, they worked with his family to secure the use of the farm equipment.

Currently, one quarter section is owned and four quarters are rented. The land and buildings are valued at approximately \$125,000 with no liabilities. The equipment is valued at about \$86,000 with approximately one third owing. The beef breeding herd is worth about \$50,000 with no debt. Operating credit and Canadian Wheat Board Cash Advances of \$40,000 to \$60,000 are used.

The annual income generated from the grain and livestock operation is in the \$120,000 to \$130,000 range with expenses of approximately \$100,000. The vacation farm and Ms. A's casual employment add \$5,000 to \$7,000 annually.

Financial Summary			
		Assets	Liabilities
<b>Land / Buildings</b>			
	Land		
	Buildings		
	<b>Total</b>	125,000	0
<b>Equipment / Livestock</b>			
	Equipment	86,000	36,000
	Livestock	50,000	0
	<b>Total</b>	136,000	36,000
<b>Operating Loan</b>			15,000 - 20,000
<b>Income</b>			<b>Expenses</b>
	Grain / Crops	80,000	
	Livestock	40,000 - 50,000	
	<b>Total</b>	120,000 - 130,000	100,000
<b>Net Annual Profit</b>		20,000 - 30,000	
<b>Off-Farm Employment Income</b>		5,000 - 7,000	

## **Marketing**

The marketing of the beef cattle is done through the local auction market. The steer calves and some heifer calves are sold in the fall and, occasionally, some replacement heifers are sold in March.

The cereals are sold through the elevators while the pulse crops are usually contracted to processors. Some beans are being grown without a contract so they accept the risk involved in this method of marketing.

Promotion of the vacation farm is done through the vacation association's brochures and website as well as advertising in "The Country Register".

## **Looking Ahead**

Mr. and Ms. A plan to carry on with the grain and beef cattle operation "the way it is." For the cattle the development of further fencing for rotational grazing will continue.

The tourism portion of their farm is growing and is becoming less labour intensive than it was during the establishment period. They plan to develop their own website to assist in promoting the vacation farm.

## **Lessons Learned**

Mr. and Ms. A consider their farm a success because they "survived and raised a family." They caution others to be aware of the consequences of "things beyond their control" such as high interest rates and droughts.

They learned that in some circumstances renting land can be better financially than purchasing. Also, except for some minor instances, renting equipment does not fit with their philosophy.

Because they believe that "generations of people are getting too far from the farm" they are putting lots of time into agro-tourism which they feel can continue to expand. They strongly believe that it is very important to educate people about agriculture and, specifically, from where their food comes.

Mr. and Ms. A would encourage people to farm if the individuals "really want to farm" and if they are willing to commit the time and effort it will take because "income from farming is very unstable."

## **Story # 2 – Mr. and Ms. B**

### **In the Beginning**

Ms. B grew up on the farm on which the family now lives. Since 1948 her parents had a predominantly grain operation with some beef cattle from which they retired in 1973. They then rented out the land to a grain farmer.

Mr. B had a rural background having grown up in a local town but the experience he gained was in the mechanics end of a retail and service business.

Mr. and Ms. B have been living on the home farm site since 1978. About ten years ago they became involved in farming with the purchase of six cows which were pastured on one quarter section of Ms. B's father's farm. After the death of his wife, Ms. B's father decided to turn over the land to his family and the couple agreed to take an additional one half section of grain land which they fenced in 1999 and seeded down to grass and alfalfa in 2000. Since then they have operated a grass finished beef herd which has grown considerably. In addition to the beef herd the family raises pastured chickens and turkeys.

Until 2000, Mr. B continued his off-farm employment in extension work in which he had been involved for many years. Ms. B has had a professional job for over 25 years and is continuing that employment.

Through Holistic Management practices they have developed goals for their quality of life, forms of production, and their farm environment. They realize that succeeding generations determine what the future of the farm will be - it may be completely different. "You may have to break with tradition." Their hope for the farm is that "the land is to be given to the next generation" and their dream is to "return as much or more back to the land than they borrowed from it in their efforts to achieve their goals."

### **The Operation**

The land base is three quarter sections with one half section including the building site and one quarter of pasture which is located across the road. The half section has been seeded to alfalfa and a variety of grasses. Mr. and Ms. B state "we are grass farmers not cattle farmers" who feel that "no one grass is the answer. Use what you can get to grow."

The current farm is primarily a "grass finishing beef and cow-calf operation" with about 60 cows. To ensure optimum use of the pastures, planned grazing is practiced primarily using electric fence technology to subdivide large paddocks.

The cattle are fed no grain. Bale grazing during the winter has added the benefit of manure deposition to the pasture paddocks. The farm plan dictates that "there must be no export of plant bio-mass off the farm." Calves are born in May or June, fed during the winter, pastured the next summer and sold as long yearlings in the fall.

Mr. and Ms B have a "feed ourselves first and sell the excess" policy in which they raise much of their own food by raising grass fed chickens and turkeys, produce their own milk, butter and eggs

and grass fed beef which they slaughter on the farm. "You are in control of the quality of the final product you create."

Facilities on the farm include a barn, shop, a walk-in cooler, dugouts and a well-planned fencing system. They recently dug a second, deep dugout to ensure a more constant water supply although the water was down during this dry summer. The walk-in high-speed cooler is used to chill the poultry and beef following slaughter.

The equipment, which includes two tractors, 9 foot haybine, a square baler and a round baler, was built up gradually and, is valued at approximately \$15,000. At first, Mr. and Ms. B had the hay baled by a custom baler for about \$7 per bale. They then decided to purchase their own equipment and started with an old square baler. They have now bought an old round baler for \$2000 that completes their baling without too much difficulty. Buying used, but operational equipment, has "saved us a lot of money."

Ms. X has had a professional job and is continuing that employment. They feel that off- farm employment is "critical to create a financial float rather than living from year to year or pay cheque to pay cheque. You need a reserve."

### **Land and Facilities**

The three quarters of land were made available to Mr. and Ms. B by her father. One quarter is native pasture and the half section has some highly eroded clay knolls. Constant cropping of the land through the years of grain production has led to the development of large saline patches in the fields. However, all but a very small portion has been recovered by planting a permanent cover of alfalfa and grass seed. Bale grazing has also helped bring the land back due to the re-introduction of plant fibre as well as seeds.

The barn was on the farm when they started farming and the walk-in cooler was first constructed about 30 years ago and completely renovated three years ago. Much of the fencing was done in 1999 and 2000. Although there was a dugout on the property, a second, deeper dugout was dug in 2002 to ensure a more constant water supply.

### **Technical Expertise**

Mr. B gained a considerable amount of technical experience relating to water and growing of forage while working in his extension work. His past experience with mechanics enables him to do most of his own mechanical repair work. Because he has "old machinery he learned to repair things by necessity."

Through their contact with colleagues in their Holistic Management group Mr. and Ms. B share and trade labour, advice and technical skills.

### **Financial**

Farming is a business in which financial planning and keeping books up-to-date are vital so you know where the money is going. Holistic financial planning encourages the development of "an intensive plan where the family projects their most pessimistic income and plans to spend only

50% while saving the rest. This ensures that they know exactly where funds will be spent and demands that a cost effective analysis of each expenditure is undertaken."

Every effort is made to keep expenses down. For example, pasture and livestock management has allowed for the dramatic reduction and, in some cases, elimination of paracitcides and antibiotics. "The fly problem is minimized by planned grazing" and they had no pink eye problems. Using a small diesel tractor, fuel costs were kept at approximately \$450 this year. Bale grazing eliminates the need to start a tractor at all during the winter months.

Mr. and Ms. B started farming with the expectation of building the business with the farm income. They were given the use of the land and do not have a debt against it. The equipment is valued at about \$15,000 and was purchased as funds became available. Farm income this year will come from selling approximately 40 long yearlings at approximately \$800 each resulting in \$32,000. Following the philosophy of expenses being no more than 50% of income, they project that approximately \$16,000 will be available for expenses. Operating loans are not used because they feel that loans can build up and loans are not necessary when you live close to the basics. "The more you borrow, the more you have to pay out."

Off farm jobs are considered to be very important in building up the farm as well as paying for family needs. Their "off-farm jobs have built the cattle herd" but they do insure that they "pencil in family vacations" when they are doing their financial planning. However, they do have "toys" but always keep it within their financial goal

Financial Summary			
Assets		Liabilities	
Land / Buildings			
Land			
Buildings			
Total			
Equipment / Livestock			
Equipment	15,000		
Livestock			
Total			
Operating Loan		none	
Income		Expenses	
Grain / Crops			
Livestock	32,000		
Total	32,000	16,000	
Net Annual Profit		16,000	
Off-Farm Employment Income			

## **Marketing**

The marketing of their livestock is done with the advice of a friend who is a cattle marketing expert and through the local auction markets. The calves are sold as long yearlings at about 800 pounds into the feeder market in the fall.

Mr. and Ms. B's goal for the farm was to produce the food that would "feed their family first and sell the excess". They have a home walk-in high speed cooler to chill the poultry and beef following slaughter on the farm. They are adamant that the very best beef produced on the farm will be reserved for their personal consumption and the rest will be sold.

## **Looking Ahead**

For Mr. and Ms. B believe that "the land will govern the size of the herd" but, from a financial perspective, a herd of 100 cows is likely possible. They would consider buying hay that could lead to a significant increase in the herd numbers and would import bio-mass which would benefit the land.

The calving numbers will be at a "family comfort level but they project that the production of 100 long yearlings selling at approximately \$800 each would provide an income of \$80,000." The basic expenses such as fences, taxes, equipment, etc. are the same regardless of the herd size. The only really new expense would be for extra feed. Another option for the future would be "custom grazing which would eliminate the need for any winter feed and most of the equipment."

Mr. and Ms. B plan to upgrade the water supply system on the farm by installing a water pipeline to supply to the various paddocks on the farm.

## **Lessons Learned**

Stumbling blocks were to be expected because "each experience was a learning experience and a new challenge." They began by buying cull cows in the auction mart. That is now seen as "not the best decision" for starting a herd so any subsequent purchase of breeding stock involved higher grade animals.

Many successes have been experienced. Constant cropping of the land through the years of grain production led to the development of large saline patches in the fields. Today, all but a very small portion has been recovered by planting a permanent cover of alfalfa and grass. Bale grazing has led to improving the organic matter in the soil as well as providing litter on the soil surface.

The first piece of advice Mr. and Ms. B would give a beginning farmer is to ask yourself a lot of questions. "Whom do you want to answer to, the lenders or yourself?" If you want to work for yourself then "make a financial plan before you begin your farming activities." Ask yourself "Do I need to own land? Maybe I should rent since there is much land and even cattle that can be rented on a long term lease."

According to Mr. and Ms. B, off farm income is "probably necessary to create a financial float" rather than using an operating loan. "Be cautious and build up slowly - renting land and buying older equipment will help avoid big debts."

In their recommendation of small farming, Mr. and Ms. B feel strongly that "in order to succeed on a small farm, you have to be prepared to do a lot of work yourself. When you are starting out, it will take devotion and hard work."

As for young beginning farmers, they believe that "young people need a back-up trade or service that they can rely on for themselves and share with others. Go out and experience the real world; then take up farming as a choice realizing what a privilege it is."



## **Story # 3 – Mr. and Ms. C**

### **In the Beginning**

Mr. C grew up on the farm on which the family currently lives. His family initially operated a dairy farm on one-half section of land. By 1979 the farm had increased to one section.

In 1970, Mr. C started farming at the age of 15 years. He bought his first quarter section in 1972 for \$9,000. The income from the cows that came from his share of the dairy quota looked after the farm expenses while the grain income was available to purchase machinery. He also received a share of the heifers and a percentage of the milk cheque. In 1979 the dairy was sold and 30 beef cows were purchased.

### **The Operation**

The current farm is a mixed grain and beef operation with a land base consisting of six quarter sections of which five quarters are owned and one quarter is rented. Farm production consists of cereals and oilseeds and calves from the cow-calf operation that has grown to 60 cows.

Facilities include the dairy barn that is used for calving, a loose housing shelter, an implement shed and a shop as well as grain storage. The equipment used on the farm includes a full line of grain, haying and chore equipment most of which was purchased as used equipment. Leasing has been used for pickup trucks.

Custom operators do some of the feedlot cleaning and grain hauling. On the other hand, Mr. C provides a custom haying service to the surrounding area.

For several years in the past Mrs. C worked off the farm at a professional job until her career was interrupted to raise a family. She returned to the off farm labour force when the children were older. Through the years Mr. C's father always helped on the farm. As he aged and gradually helped less, Mr. and Mrs. C's son gradually became more involved in working on the farm.

### **Land and Facilities**

From the land that Mr. C initially purchased the farm grew to six quarter sections of which five quarters are owned and one quarter is rented. The acquisition of land was made possible by the assistance of Mr. C's parents. Mr. and Mrs. C now reside on the family farm. Of the cultivated land 550 acres of the land were used for growing grain, 125 acres were seeded to hay and green feed while 25 acres were seeded down for pasture. Some native pasture along ravines is fenced and utilized for grazing. In addition, Mr. and Mrs. C have rented 80 acres of pasture from a neighbour.

After the herd was dispersed, the dairy barn was converted for use as a calving barn for the beef herd since the cows are calved in February and March. The loose housing shelter has been divided into thirds so that a section is available for the new calves.

## Technical Expertise

Mr. C grew up on the farm and learned most of what he knows about farming from his family or from hands-on experience. In the past the majority of repairing and overhauling of their own equipment was done on the farm but now, because of the lack of time and the technical nature of the equipment, some of these repairs are being done by others.

Mr. C feels that he benefited from a variety of community college training courses that included air conditioner servicing and artificial insemination techniques.

## Financial

Helping on the family farm and receiving a share of the milk quota formed the basis for Mr. C's start in farming. To build up his dairy herd, he received a share of the heifers and a percentage of the milk cheques.

Currently, Mr. C feels that the five quarter sections of land with the buildings are valued at \$400,000 to \$500,000 with less than \$50,000 owing. The equipment is valued at approximately \$160,000 with about \$45,000 owing on it. The breeding herd of 60 cows is valued at about \$60,000. Charge accounts are used for the farm expenses and are kept current. Mr. C estimates that the annual revenue from the farm is in the \$100,000 to \$120,000 range with expenses in the \$80,000 to \$90,000 range.

Financial Summary			
		Assets	Liabilities
<b>Land / Buildings</b>			
	Land		
	Buildings		
	<b>Total</b>	400,000 - 500,000	less than 50,000
<b>Equipment / Livestock</b>			
	Equipment	160,000	45,000
	Livestock	60,000	
	<b>Total</b>	160,000	45,000
		<b>Charge Accounts</b>	kept current
<b>Income</b>			<b>Expenses</b>
	Grain / Crops		
	Livestock		
	<b>Total</b>	100,000 - 120,000	80,000 - 90,000
<b>Net Annual Profit</b>			
<b>Off-Farm Employment Income</b>			

## **Marketing**

The marketing of grain is done in a variety of ways with some oats being sold on contracts while some barley and oats are sold locally. In general, a cautious approach to marketing is employed in that the grain is not sold until it is harvested.

The calves are usually finished on the farm and, occasionally some are sold in the fall.

## **Looking Ahead**

Future plans include bringing their son into the farm operation. Expansion of the cowherd up to 100 cows is being considered and such an expansion would require new pens and watering facilities. An improved cattle handling system is being contemplated for the future.

They are considering the possibility of increasing their land base when the need arises and prices permit.

## **Lessons Learned**

Among their successes has been a positive experience with marketing oats in which a variety of selling opportunities were utilized. Their oat production was sold as milling oats, as feed to PMU farms while some was cleaned and sold as seed.

"Saving when times are good" is one of the most important lessons they have learned. But, having the right equipment for handling and feeding cattle can make the job easier and safer.

Life on a small farm comes highly recommended by Mr. and Mrs. C but they advise others to pursue it only if they are highly motivated to attempt this venture.

## **Story # 4 – Mr. and Ms. D**

### **In the Beginning**

Mr. D grew up on the farm that has been in the family since about 1904. His grandfather came to Canada as a boy of 14 in 1889 and lived with an uncle and aunt until he was able to purchase a quarter section about 1897. This quarter was eventually sold to a nephew about 1940 to give the nephew a larger land base.

The grandfather of Mr. D bought the land of the present farm about 1904 and about the same time he bought a homestead near Davidson, Saskatchewan. The Saskatchewan homestead was sold to his first cousin who was homesteading and living at Davidson and the grandfather stayed farming in Manitoba. All of the land in Manitoba, one section in all, was bought for about \$1500 to \$1700 per quarter since he was too late to homestead in the area.

After attending university Mr. D tried a number of different types of employment. In 1974 he and Ms. D returned to start farming "full time" with his parents. Initially the farm was 480 acres and consisted of a grain operation. Mr. and Ms. D had 10 cows when they started farming full time and that same spring they expanded the operation with the purchase of 30 more beef cows and three quarter sections of grain land and pasture.

Ms. D has a university degree and for many years has worked off the farm in the health field.

Mr. D has always liked farming and his goal is "to leave the land better than when he started."

### **The Operation**

The operation today is a mixed farm of beef cattle and grain. The farm consists of approximately eight quarters of owned land with one quarter being rented.

The grain operation is carried out on three quarters of the owned land and one quarter of rented land which are close to the farm site. On these four quarters there are about 500 acres of grain land, 50 acres seeded down for hay and 50 acres of pasture. The remainder is trees and sloughs that can sometimes diminish the crop base by another 50 acres or more.

The remaining five quarters of owned land are located somewhat distant from the farm site. The 230 acres of grain land on these five quarters are rented out to another farmer while the remaining land is used for hay and pasture.

Using minimum tillage and zero-till methods, the crops grown include wheat, barley and canola and the beef operation consists of 50 cow-calf pairs plus another 10 cows rented out. The cows calve in April and he views "a 10% loss as too many, and has had one year with zero losses and several with 1 loss." The calves are usually fed until they are 900 to 1000 pounds, about half the time fed to finish and "problem cows are culled." Replacement heifers almost never come from outside the herd. Only bulls are brought in, mostly every other year. For the past 25 years bulls with a birth weight of over 95 pounds are not considered.

The facilities used on the farm consist of a shop, grain storage, livestock handling and wintering facilities. There is only one cattle shed that serves two pens.

A complete line of equipment used for the grain operation, haying and livestock chores is owned. Leased equipment is not used. Custom operators are hired to do some of the spraying, manure spreading and grain hauling.

### **Land and Facilities**

The quarter of land on which the farm site is located was chosen because it was part of his parents' farm. The land has some stones and sloughs. The other seven quarters were purchased at two different times.

The water supply in the area is always precarious. Water storage is a problem and for 10 years Mr. D hauled water to his cattle every day in the winter. To alleviate this problem a dugout was dug in the fall of 1989 at a cost of \$12,000. However, Mr. D had to continue to haul water for the three years during while the dugout remained dry because of a drought in the area. "A year ago the dugout was full in the spring and down seven feet by August."

### **Technical Expertise**

Mr. D grew up on a farm and learned many of his farming techniques from his parents.

Before starting farming Mr. D attended university where he studied agriculture. For three years prior to farming, he worked for a financial institution. During his farming career he has participated in evening and short term training courses such as welding, taxation, livestock care and machinery repair. He keeps current with farm issues through the media and views his participation in farm organizations as an opportunity to share experiences with others.

### **Financial**

The land and buildings that were financed through FCC are valued at approximately \$500,000 with nothing owing. The equipment is valued in the \$50,000 to \$100,000 range with no liabilities and the breeding livestock is valued at approximately \$50,000. A line of credit of up to \$60,000 is available and in use.

The annual revenue from the farm, which is generally over \$100,000 with expenses generally under \$100,000, has been sufficient to provide for their daily living expenses, some savings and NISA.

Off-farm income of approximately \$20,000 has been instrumental in providing for clothing, the automobile, recreation, holidays, some savings and their children's education.

Financial Summary			
		Assets	Liabilities
<b>Land / Buildings</b>			
	Land		
	Buildings		
	<b>Total</b>	500,000	nil
<b>Equipment / Livestock</b>			
	Equipment	50,000 - 100,000	nil
	Livestock	50,000	
	<b>Total</b>	100,000 - 150,000	
		<b>Line of Credit</b>	up to 60,000
<b>Income</b>			<b>Expenses</b>
	Grain / Crops		
	Livestock		
	<b>Total</b>	over 100,000	under 100,000
<b>Net Annual Profit</b>			
<b>Off-Farm Employment Income</b>		20,000	

### Marketing

Mr. D usually sells his grain to local elevators and he has grown Warburton wheat under contract since a year after the program began.

Upon occasion, some of the calves are sold in the fall. Usually they are sold as short keeps and fats.

### Looking Ahead

As a general approach, Mr. D likes to be innovative and to experiment with new farming ideas as finances and time permit. He was one of the early innovators in zero tillage and has continued with it.

He would like to try some of the new crops being introduced and is prepared to make some mistakes as long as liabilities are kept to a minimum.

Because of the continual moisture problem of excess and drought, Mr. D is beginning to centralize the surplus water on the land and has begun digging a large holding pond on one quarter with sloughs draining to it. This will take a number of years and will be completed as finances permit.

## Lessons Learned

Nature has provided Mr. and Ms. D with several stumbling blocks. Excessive rain, drought, hail, BSE and grasshoppers have tested their commitment to farming. Most have been overcome and they are "still farming." "Water is critical" so dealing with drought and excessive moisture have been particularly challenging and "the individual has to take some responsibility in solving the problem." Zero-till has "helped quite a lot as a farming method." In wet periods there is a problem with sloughs and in drought there is a problem with no alternate moisture source "unless you create one".

One of their more satisfying successes is the improvements they have made to their water storage system with the establishment of the dugout.

Lessons that Mr. D learned include "being able to work with what you have and be prepared to make mistakes." As a small farmer with limited financial options, he has had to be creative and flexible and he has had "to improvise to make do with what is available" to him. "To survive on a small farm you have to be able to repair things - be able to improvise and create things to deal with a problem."

In caring for the livestock he advises adopting methods such as the use of feed alleys which "minimize time requirements and maximize safety."

An important factor learned about herd development is "retaining heifers from heifers because they become generally smaller cows. Feed is expensive. Two half ton cows may eat more feed than a one ton cow, but they put two calves in the feed lot."

In general he recommends "do not spend more than you have." However, there are some occasions when debt is necessary such as in the purchase of crop inputs and land. In some cases, such as in the purchase of land, "it may be better to rent rather than purchase" because of the large financial commitment required. "For a small farmer, the real challenge is to decide to buy a quarter whereas, for a large farmer, it is not a problem."

With the provision that adequate finances are available, Mr. D would recommend farming as a career. This recommendation comes with the assumption that the prospective farmer is prepared for challenges and is willing to put in place some insurance to minimize the risk associated with farming.

There are not many financial options on a small farm. If you are a couple, making a small farm successful requires a partnership between the two players. "You can't have one spouse spending money while the other is trying to figure out where it's going to come from."

## **Story # 5 – Mr. and Ms. E**

### **In the Beginning**

Mr. E has been farming the home farm since 1972. He looked forward to the challenge of farming and he liked livestock. His father always had "a couple of sows, weanling pigs, cows and calves from which we could choose animals for the 4-H projects." So, to get started, Mr. E rented one half section of land and used his dad's equipment and seed. The first year he bought a tractor and a dozen cows to pasture on rented land.

In 1975 the cattle were sold and more grain land was rented to increase to two sections because the grain land was available. His father still had one half section of land. The focus was on grain for a few years. In the late 70's his brother returned to farm in the area and they implemented their "philosophy of co-operation by sharing investment and responsibilities."

Mr. E was missing his livestock so he bought a few cows. Cash rents were "getting crazy," costs of inputs were high, and competition for land was fierce so by the early 80's he was back working with cattle again. Loose housing sheds and shelters were built as the cattle operation expanded.

Ms. E does not have a farming background but she enjoys rural life and she did work off the farm for a short time.

### **The Operation**

Mr. and Ms. E now farm one section with 480 acres in grain and 100 acres in hay along with 100 acres of rented pasture. They own a herd of 35 cows in a cow-calf operation and contract to pasture 20 cows but they are "not big on renting cows."

Crops grown include wheat, oats, barley and canola. They have experimented with lentils, beans, peas and specialty rapeseed. The experiment with the beans was "not so good" but they will try again.

Although Mr. E and his brother each own a tractor and tillage equipment, together they share a complete line of equipment. They prefer to own or rent and each is responsible for repairing and maintaining his own machinery

At one time custom spraying was hired for weed control and pre-harvest spraying. But "the small sprayers trampled too much" so his brother purchased a large sprayer to "increase flexibility." Mr. E has noticed an improvement in weed control on the farm.

### **Land & Facilities**

The land in the current operation of one section has been part of Mr. E's farm since the 1970's. The cultivated land has been very productive for both grain and hay.

Facilities include an implement shed that his dad built in 1975, open shelters for the cattle and a house. Windbreaks have been erected in several areas.



## Technical Expertise

During the winter of 1973-1974, Mr. E took a farm business management course for three months. He found this course very helpful and he often refers back to these books.

As well as providing an opportunity for networking with other farmers, he feels that he learned a great deal at the agriculture-related sessions at the Agricultural Extension Centre in Brandon. A heavy-duty mechanics course and night classes such as acetylene welding through the community college have made it possible for him to repair much of his equipment because "year to year maintenance of all equipment is very important."

## Financial

Mr. E feels that his farm has been built through family support and co-operation, first with his father and now with his brother. They "work together to make things happen."

The land and buildings are valued in the \$250,000 to \$300,000 range. The equipment and livestock are valued in the \$150,000 to \$200,000 range. An operating loan in the \$20,000 to \$30,000 range is used for crop inputs such as seed, fertilizer, spray, fuel and repairs.

Income in the \$100,000 range has been provided from the farm production with about 60% from grain and 40% from livestock. The farm has provided the \$10,000 needed for living expenses with produce from the garden having "real value as something to consume, sell or give away."

Financial Summary		
Assets		Liabilities
<b>Land / Buildings</b>		
Land		
Buildings		
<b>Total</b>		250,000 - 300,000
<b>Equipment / Livestock</b>		
Equipment		
Livestock		
<b>Total</b>		150,000 - 200,000
<b>Operating Loan</b>		20,000 to 30,000
<b>Income</b>		<b>Expenses</b>
Grain / Crops		
Livestock		
<b>Total</b>		100,000
<b>Net Annual Profit</b>		10,000
<b>Off-Farm Employment Income</b>		

## **Marketing**

Grain is marketed at the local elevator or by producer cars. Contracting has been used for some crops such as specialty rapeseed.

Cattle are sold at the local auction market or to the local abattoir. Calves are usually sold in the fall so there is no over-wintering but occasionally they are kept until the following March. When possible good heifer calves are kept for replacements.

## **Looking Ahead**

Mr. and Ms. E would like to increase their cattle herd to 50 cows and their plans for feeding a larger herd "are fine as long as it rains." To increase his return on investment, Mr. E is considering doing some custom work with the air seeder.

## **Lessons Learned**

During the years a few stumbling blocks were encountered such as "the high cash rent for grain land" which convinced them to get back into cattle in the 1980's. Drought continues to be a constant concern.

Many hazards exist in farming so one has to "be aware that handling animals, equipment, pesticides, and fertilizers can be dangerous to the entire family."

The successes are measured by their quality of life. Mr. and Ms. E "enjoy the work, enjoy rural life and enjoy nature." According to Mr. E, attitude is everything. "It is my decision to enjoy the rewards and to learn to cope with the disappointments and set backs. There is so much to enjoy in rural life."

If you are a person who does not like to work for someone else farming may be for you. Many of the tasks are solitary and the reality is that "you need to be able to work alone, know that you will have problems but then you need to know when to ask for help."

Also remember that, "as an operator of a farm you must take ownership for what happens." There is always work to be done and you have to realize "there are things you have to finish – things you can't just walk away from because you are tired".

Planning is an important aspect of farming. "You need to focus your activities at particular times. Harvest is a time to focus and calving is a time to focus." In operating a small farm you need time for yourself, your family and your community.

You will work hard but "why bother if you are not having fun?" You need a social outlet so make time to interact with others. The marketing of grain at the elevator "used to provide opportunities for an exchange of ideas but now that opportunity for social interaction has slipped away." Mr. E feels this has had a negative effect on the farming business.

Mr. and Ms. E realize that, in general, farming is unpredictable. "Each part of the operation has its ups and downs and you need to recognize that there are things you cannot control." However, there may be times when you may want to gamble. For example, "when livestock are at their

lowest prices may be the time to increase the herd. It will not last but keep the investment within reason".

Yes, Mr. and Ms. E would recommend becoming a small farmer "but you need to do your homework." Talk to big and small operators in the industry. A healthy industry has operators of all sizes and we all have our limitations. Make sure it is what you want. "Do your research and go in with your eyes opened."

According to Mr. E his love of farming and animals is a result of having grown up on a farm. His father believed that children should learn to care for cattle and pigs because "caring for them taught them to accept responsibility."

The key to being a successful small farmer is "a desire to want a challenge and then committing to make it work. It's a different way of life."

## **Story # 6 – Mr. and Ms. F**

### **In the Beginning**

Mr. F grew up on the farm his parents had purchased in 1953. The cattle part of the farm was phased out in the 1970's and it became a grain farm with 1100 cultivated acres.

After leaving school, Mr. F worked at a number of jobs before starting to farm in 1990. He started with the purchase of three quarters of land from his parents. To get started in cattle he purchased 16 cows. Mr. and Ms. F moved to the farm when they were married in 1991. At that time the facilities which existed on the farm were a shop, a 30 foot by 60 foot loose housing shelter and "no fences."

Ms. F has a farming background, having grown up on a dairy farm.

When Mr. and Ms. F started farming their goals were to build the beef herd to 150 cow-calf pairs and to expand the grain operation.

### **The Operation**

Currently the farm is a mixed operation of grain, beef cattle, chickens and hay. The land base consists of five quarters of land with two quarters of grain land being rented out to other farmers. In addition, four quarters of land are rented, two of which are pasture and the other two have some hay and some grain. The majority of the land is seeded to hay and 120 acres are used for grain production. The grain produced is mainly oats and barley that is used for feed for the livestock.

The cattle operation consists of a beef cow-calf operation of 100 cows with the cows starting to calve in February. Although the calves are usually sold in September, some heifers are kept as replacements. In the past they have leased up to 20 cows.

Mr. and Ms. F provide custom haying services as well as buying and selling hay and straw. Each year they put up about 1200 hay bales and 400 straw bales with approximately 700 hay bales being needed for their own animals and up to 500 bales being sold. The arrangements for the custom haying services are on a cash basis.

The buildings on the farm consist of a calving barn, three loose housing sheds, grain storage and livestock handling facilities. They have a full line of equipment for haying, doing chores and cleaning the feedlot. Their equipment is owned rather than leased. Custom seeding and spraying services are used for their 120 acres of grain.

For both Mr. and Ms. F off-farm employment is important. Ms. F works in health care and Mr. F is employed in driving a truck on a casual basis and in building maintenance during the winter.

### **Land and Facilities**

The land was acquired from Mr. F's parents. The land is "quite productive" for hay and grain and there are no saline patches.

The barn, two loose housing shelters, the corrals and the fences had to be built to provide facilities for the cattle operation. A watering system including a well and a dugout had to be installed.

### Technical Expertise

Mr. and Ms. F have learned farming through hands-on experience. While employed by a farm supply service centre and while he worked on a hog farm Mr. F acquired further skills and knowledge related to agriculture. Driving a semi trailer and taking AI training for upgrading the herd have also increased his technical expertise.

Ms. F has taken communications training courses through a community college.

### Financial

The parents of Mr. F helped with the financing for the purchase of their farm. In addition, some of the financing was obtained through MACC by taking advantage of the Young Farmer's Rebate Program.

The land and buildings that are owned are valued at approximately \$700,000 to \$800,000 with nothing owing outside the family. The equipment is valued in the \$200,000 to \$300,000 range with \$50,000 to \$100,000 owing.

Financial Summary		
Assets		Liabilities
<b>Land / Buildings</b>		
Land		
Buildings		
<b>Total</b>	500,000	nil
<b>Equipment / Livestock</b>		
Equipment	140,000	
Livestock		
<b>Total</b>	200,000 - 300,000	50,000 - 100,000
Operating Loan		
<b>Income</b>		<b>Expenses</b>
Grain / Crops		
Livestock		
<b>Total</b>	50,000 - 150,000	
<b>Net Annual Profit</b>		
<b>Off-Farm Employment Income</b>		
	5,000 - 15,000	

Farm income includes the sale of approximately 80 of the 100 calves with the other 20 heifers being kept as replacements. The sale of 300 to 500 bales and return from custom haying services provide further income. Chickens are sold off the farm and, although this may be a small part of the operation, the income has a significant influence on their lifestyle.

Input costs can be substantial with approximately \$10,000 being spent for fertilizer on about 400 acres of alfalfa and grass. Repairs on equipment used in the grain operation can be as high as \$40 per acre. Annual gross income varies in the range of \$50,000 to \$150,000.

Their off farm employment brings in about \$5,000 to \$15,000 annually.

### **Marketing**

Their calves are sold through local auction markets. To date they have not used forward pricing. The chickens are sold locally with no promotion being necessary. The 300 to 500 bales of hay that are sold annually are sold to local farmers with no promotion or advertising being necessary.

### **Looking Ahead**

Their future goals include plans to expand their cow-calf operation to 150 cows and the possibility of selling bred heifers. However, any expansion will require more land for pasture and hay.

Mr. and Ms. F would like to improve their house and farm site facilities.

Ms. F would prefer not to work off the farm so she could devote more time to her family. The children's activities keep both of them well occupied.

### **Lessons Learned**

Through the years many lessons have been learned one being that "for a small farm to be successful, the owners must be willing to work." One also needs to have a "cash cushion for unexpected operating expenses" as was experienced in 1996 when cattle prices plummeted.

Family life on a small farm requires planning. Anyone with a young family must face the "challenge of arranging time so that one can be home when the children are home."

Small farmers need to be aware of the hazards that surround them on a farm. These may include the traumatic impact that a hailstorm can have on your operation or the devastating effect of an unexpected farm accident.

If you are planning to establish a cattle herd on your small farm, Mr. and Ms. F would advise that you obtain good quality cattle on which to build.

They would recommend their lifestyle to others who want to "be your own boss" and to have flexibility in their schedules. In farming you can "choose your own hours" but you soon realize that "the more hours you put in the more you get done." They believe in the importance of having good facilities on the farm because they "make life easier and safer."

## **Story # 7 – Mr. and Ms. G**

### **In the Beginning**

Mr. G grew up on the farm that has been in the family for over 100 years so it was important to Mr. G to keep the farm in the family. In 1976 Mr. G purchased his first quarter section of land from a family member. In 1979 he rented another quarter section and later purchased additional pieces of land.

Having grown up on a farm in the area, Ms. G also had a farming background. Not only is a farm seen as a good place to raise children but it is also seen as providing the type of lifestyle in which time could be taken off when desired.

### **The Operation**

The current operation includes five quarters near the building site and one quarter located some distance away.

The facilities being used in the operation include grain storage, a shop and machine storage. Facilities for wintering beef cattle are available at the farm site although they have not been used for two years. Until two years ago the farm had included a cow-calf beef operation with 20 cows.

The farm has a complete line of grain and livestock equipment that is owned and was purchased mainly as used equipment. Custom work such as grain hauling and pre-harvest and insect spraying is purchased when required.

Cereals, oilseeds, peas and beans are crops grown on the farm.

Fences are being upgraded and hay is being baled in anticipation of the purchase of beef cattle in the near future. Non-farm related activities include employment in metal fabrication for Mr. G. Ms. G has worked off the farm as well as providing an at-home child care service for a period of time.

### **Land and Facilities**

The land was acquired through a gradual process and came mainly from family members. The land at the farm site is mainly flat grain land with a shallow covering of topsoil but the land which is farmed a few miles away is considerably more fertile and is therefore more productive. Some of the land near the farm site is suitable for pasture.

Facilities at the farm site include grain storage, machine storage and a well-equipped shop.

### **Technical Expertise**

Both Mr. and Ms. G have farm backgrounds and learned about farming as they grew up. After finishing high school Mr. G took two years of diploma training in agriculture.

## Financial

The start in farming was made possible by having off-farm employment that made buying the first quarter section in 1976 possible.

The six quarters of land and buildings are currently valued at about \$500,000 with no mortgages. The equipment is valued at approximately \$140,000 with no outstanding debt. To assist with the payment for crop inputs an operating loan of up to \$25,000 is available. The farming operation has annual revenue in the area of \$120,000 and expenses of approximately \$95,000.

Non-farm income of \$5,000 to \$6,000 has supplemented farm income.

Financial Summary			
Assets		Liabilities	
Land / Buildings			
Land			
Buildings			
Total	500,000	nil	
Equipment / Livestock			
Equipment	140,000		
Livestock			
Total	140,000	nil	
Operating Loan		up to 25,000	
Income		Expenses	
Grain / Crops			
Livestock			
Total	120,000	95,000	
Net Annual Profit			
Off-Farm Employment Income			
5,000 -6,000			

## Marketing

The marketing of grain is done wherever the best price can be obtained. Some forward pricing which includes basis contracts and options has been used for the sale of canola.

While the cattle operation was part of the farming activities, the calves were marketed in the fall through local auction markets.

## Looking Ahead

Future plans include a beef cow herd of 20 to 40 cows and the addition of another quarter section for the grain operation.



## **Lessons Learned**

The complicated nature of some of the agricultural programs is viewed as confusing and time consuming.

Mr. and Ms. G identified a number of successes in their farming experience. These successes include "simply holding on to the farm," "having a decent life," and "providing a good place to raise their children."

A willingness to work with used equipment and the ability not to worry about what the neighbours are doing are identified as lessons they have learned. Also "if others can accept that farming might not make them rich but has a flexibility which permits them to take time off when they want or need to, then farming is recommended as a desirable lifestyle."

## **Story # 8 – Mr. and Ms. H**

### **In the Beginning**

Before coming to farm in Canada in 2000 Mr. and Ms. H farmed in Britain. Mr. H has a farming background and Ms. H comes from a village and has an office background.

Mr. H started farming in England in 1963 where he worked with his father and brother. The farm was a mixed dairy and grain operation on 85 acres. Mr. H became a partner in the farm and saw the dairy expanded to bottling and delivery. As part of its activities the farm provided custom work in zero till seeding and in haying. In 1987 the partners separated their farming operations and Mr. and Ms. H moved to a grain farm in Wales. They farmed there for 12 years growing wheat, oats, barley, grass seed, rapeseed (canola) and flaxseed but did not make much of a profit. In addition to farming they operated an implement dealership where their son was able to utilize his heavy-duty mechanics training. Ms. H also ran a holiday cottage business.

In their move to Canada they considered several different types of operations including grain and cattle but the current situation of a grain and hog operation appealed to them and the community appeared supportive.

### **The Operation**

The land base of their current operation is 580 acres of which 500 acres are seeded to wheat, barley and canola. In addition they have a hog feeder and finishing operation which utilizes four biotechs to finish about 2250 weanlings per year. Straw from the cereal crops is baled and used in the hog operation. Prepared feed is purchased for the hogs.

The facilities on the farm include grain storage and a shop as well as the biotechs.

A complete line of grain equipment is owned with most of it being purchased as used equipment. Some custom work such as spraying with a high-clearance sprayer, manure spreading, hauling the hogs and some of the grain hauling is hired.

This farm is a family operation with Ms. H assisting with the hog operation and driving the combine during the harvest.

### **Land and Facilities**

This farm was purchased with the grain and hogs facilities already established. Various established farms were considered but this one seemed to be the best fit for Mr. and Ms. H because the grain land is quite productive and the area is suitable for the hog operation.

### **Technical Expertise**

While growing up, Mr. H learned about farming from his family as well as from other farmers in the area. He keeps up to date by attending local information sessions dealing with crops and hog production.

Their son's heavy-duty mechanics training is particularly valuable in the repairing and servicing of the farm equipment.

### Financial

The land and buildings are valued at approximately \$430,000 with less than 20% owing and the equipment is valued at about \$60,000. The profit of approximately \$45,000 annually is derived mainly from the hogs.

Financial Summary		
Assets		Liabilities
<b>Land / Buildings</b>		
Land		
Buildings		
<b>Total</b>	430,000	
<b>Equipment / Livestock</b>		less than 20%
Equipment	60,000	
Livestock		
<b>Total</b>		
Operating Loan		
<b>Income</b>		<b>Expenses</b>
Grain / Crops		
Livestock		
<b>Total</b>		
<b>Net Annual Profit</b>	45,000	
<b>Off-Farm Employment Income</b>		

### Marketing

Grain is marketed through elevators in the region. Some forward contracting is used for canola.

The hogs are marketed through Manitoba Pork using forward pricing with a target margin of \$20 plus per hog over production costs.

### Looking Ahead

Mr. and Ms. H would consider adding to the grain operation by renting a quarter or half section of land sometime in the future. They are also interested in trying new crops such as sunflowers.

## Lessons Learned

Some *stumbling blocks* encountered included the extended time involved in obtaining a visa that took seven months but it is now believed to be up to 18 months. Difficulties arose when they attempted to get credit cards because a good credit rating in Britain is not recognized in Canada.

They have had positive experiences with the health care system here. "The health care in Manitoba is good." In the education system they note that "children moving from England can lose a grade of school in the transfer."

They advise others "to obtain as much information as possible about the prairies before they come." The ability to adapt is a strong asset and a tool for survival.

A small farm operation is recommended to anyone who is willing to work and who has enough capital to invest. In particular, they would recommend raising hogs but the potential farmer must realize the time commitment. For their operation they find that there are three times during the year that "the weighing of the hogs and the cleaning of the pens require a considerable block of time."

Mr. and Ms. H feel that "farming in Canada provides a better lifestyle than they had in Britain." "In Canada there is a social life for the parents whereas in Britain the days were long leaving very little time for other things." However, their young adult son feels that it is necessary for him to return to the rural Manitoba community in which he previously worked in order to have a social life. He says "there are no 22 to 28 year olds in this immediate area."

## **Story # 9 – Mr. and Ms. I**

### **In the Beginning**

Mr. I started farming in England with his parents at 17 years of age on the fourth generation farm which had been in the family for 140 years. He farmed there for 20 years. On this 350 acre farm they grew cereals, canola, peas, hay and fibre flax as well as raising sheep and beef cattle. In addition to the work on their own farm they did some custom work on neighbouring farms. While in England Ms. I worked for the police for six years and taught school for eight years.

In 2002 they moved to Canada to the current farm because the farm in England did not provide sufficient income for the family. They chose their current farm location because of the convenient highway access and the reasonable proximity to a city.

### **The Operation**

The land base for their farm consists of five quarter sections on which pedigreed peas, wheat and barley are grown. They also clean and sell seed from cereals, flax and peas.

They have a full line of equipment for the grain operation as well as equipment for the cleaning business. They have had some custom seeding and spraying done on the farm and, in general, they do not lease equipment.

Ms. I works off the farm at a part time teaching job.

### **Land and Facilities**

The five quarter sections of land are quite productive with no stones and only a few saline patches.

In addition to the house, the facilities on the farm include grain storage and implement sheds as well as the seed plant.

### **Technical Expertise**

After completing secondary school in England Mr. I learned about farming "on-the-job" while working on the family farm.

Through the Canadian Seed Association he has taken various courses but there are other courses he still wants to take. He wants to put an emphasis on cereals.

### **Financial**

The land and buildings are valued in the \$700,000 to \$800,000 range with nothing owing. The machinery and grain cleaning equipment are valued in the \$100,000 to \$150,000 range with about \$100,000 owing. An operating loan of up to \$75,000 is used in the grain and cleaning operations.

Annual revenue is in the \$150,000 to \$300,000 range with expenses in the \$100,000 to \$150,000 range. To date a return on investment of approximately 12% has been achieved.

Ms. I's off-farm employment has provided an additional income of about \$4,000 annually.

Financial Summary			
Assets		Liabilities	
Land / Buildings			
Land			
Buildings			
Total	700,000 - 800,000	nil	
Equipment / Livestock			
Equipment	100,000 - 150,000	100,000	
Total	100,000 - 150,000	100,000	
Operating Loan			
Income		Expenses	
Grain / Crops			
Total	150,000 - 300,000	100,000 - 150,000	
Net Annual Profit		return on investment of 12%	
Off-Farm Employment Income			
	4,000		

## Marketing

For marketing their products and services Mr. and Ms. I use a variety of means. The pedigreed seed is sold through farm newspapers and through the Internet services of the seed association.

"Word of mouth" has been the most helpful method of getting orders to clean seed for farmers in the area.

To market some of the grain as commodities some forward pricing is used and some grain is grown under contract. Barley is sold into the U.S. market and canola and wheat are sold locally.

## Looking Ahead

Mr. and Ms. I are in the process of purchasing more land and are considering expanding their land base even further in the future. They will investigate other enterprises as time permits. Services such as providing custom harvesting appear to provide some opportunities.

## Lessons Learned

There were some stumbling blocks that affected their move to farm in Canada. It would have been helpful to them to know that the level of government with which they were dealing over immigration matters was not the level of government that dealt with professional certification. "Obtaining a visa required good documentation of certificates of education, financial information

and references." They also feel that companies that help get visas for immigrants take advantage of these immigrants. Mr. and Ms. I had some difficulty in obtaining credit cards in Canada.

Mr. and Ms. I expressed gratitude toward their new neighbours and the ease with which they were able to become part of the community was quite important to them.

With regards to the differences in farming between the two countries, they believe that it is important to "farm as a Canadian not as an English person" since the climates and the levels of inputs are quite different. There were new concerns to be faced in their new farming operation, for example, "how to deal with saline patches."

They would recommend farming to others but they would certainly encourage others to be realistic about the investment of time and finances required. They consider farming to be a very appropriate lifestyle for a family.

## **Story # 10 – Mr. J**

### **In the Beginning**

Although Mr. J grew up on a farm, his father did not encourage him to stay on the farm. For a few years after high school he worked at a number of different jobs which included construction and cabinet making but he finally decided that he wanted to try farming. When he returned to the area in 1995, he rented a half section of land near his parents' farm. In order to have access to equipment, he provided labour in return for using his parents' equipment. Mr. J plans to eventually take over the family farm.

### **The Operation**

The land base consists of two sections of land, all of which is rented from relatives. Of this land, 180 acres are seeded to hay and 100 acres are seeded to corn for silage. The remainder of the land is in pasture for the beef cow-calf operation. Currently he has 150 cow-calf pairs and continues to work with his parents who have 20 beef cows.

The facilities for the operation include loose housing shelters and a calving barn. These facilities are located at the parents' farm where the cattle are wintered. This year his calving season started on February 15<sup>th</sup> but next year it will be delayed until April.

Mr. J's farm equipment consists of a tractor and baler that he purchased on shares with his father. He does not lease equipment but does have custom operators put up the corn silage.

The majority of the income for the farming operation comes from the sale of calves at approximately one year of age. Additional income is obtained through employment on a local farm during harvest, through retail sales of fencing supplies and the operation of a backhoe business that was begun by Mr. J in 1998.

### **Land and Facilities**

The factors that influenced the choice of land for this operation included proximity to the parents' operation and the suitability of most of the land for pasture.

As the beef herd has grown, Mr. J has made an investment by expanding the facilities on the home farm.

### **Technical Expertise**

Mr. J learned his farming skills by experience while growing up on his parents' beef and grain farm. After Grade 12 he completed a two-year diploma program in agriculture with an emphasis on livestock. Since beginning farming on his own, Mr. J has participated in various short term training sessions related to livestock management.



## Financial

This operator has received financial support from his parents in that equipment and facilities did not have to be purchased in order to start. The initial outlay for land was avoided by renting nearby land from relatives rather than outright purchasing.

Mr. J has a \$20,000 investment in facilities on his parents' farm with no mortgage owing. The breeding livestock have a value of approximately \$170,000 with a debt of about \$90,000. Equipment is valued at around \$120,000 to \$150,000 with a debt of about \$70,000. Annual revenue has been in the \$110,000 to \$120,000 range with expenses almost \$110,000.

Off-farm work has provided \$10,000 to \$20,000 that has covered his living expenses.

Financial Summary			
		Assets	Liabilities
<b>Land / Buildings</b>			
	Land	nil	
	Buildings	20,000	nil
	<b>Total</b>	20,000	nil
<b>Equipment / Livestock</b>			
	Equipment	120000 - 150,000	70,000
	Livestock	170,000	90,000
	<b>Total</b>	290000 - 320,000	160,000
Operating Loan			
<b>Income</b>			<b>Expenses</b>
	Livestock	110,000 - 120,000	
	<b>Total</b>	100,000 - 120,000	90,000
<b>Net Annual Profit</b>			
<b>Off-Farm Employment Income</b>			
10,000 - 20,000			

## Marketing

Mr. J usually feeds calves until April and sells them at local auction markets. He generally does not sell many animals directly from the farm. He has not yet used future pricing.

## Looking Ahead

Mr. J's future plans are to purchase the home farm. He plans to increase the cowherd to 300 cows and to add a fall calving season to make better use of the breeding bulls. He will continue his off-farm businesses.

## **Lessons Learned**

Mr. J found that financing was an obstacle when he was getting started. He found that he was "not taken seriously by the lenders who were more interested in talking to his parents about the loans he was negotiating."

Difficulty in obtaining loans and the increasing expenses have made him seriously consider getting out of farming. Although he personally enjoys the lifestyle, Mr. J does "not feel that there is enough income in farming to support a family" and he is not sure that he would recommend a farming lifestyle to a young family. "With a 9 to 5 job you have an opportunity for more family time, a steady income and an annual vacation, whereas, on a farm everything is often postponed."

## **Story # 11 – Mr. and Ms. K**

### **In the Beginning**

Mr. and Ms. K both have a farming background and Mr. K grew up on a farm on another part of the section on which they currently reside. The quarter section was homesteaded by his grandfather in 1908. In 1964 Mr. and Ms. K started farming on another quarter of the section. Later the farm grew to three quarters. When they were married they moved out of the province for a short time but then moved back to farm so that they could raise their children in a country setting.

Before returning to the farm, Mr. and Ms. K started building a herd by purchasing cows and upon returning they purchased more cattle. They started milking cows and sold cream by the five gallon can. They did not have a quota for cream and eventually decreased the milking herd to one cow for the family's use.

The couple's long term hope for the operation was to have a herd of black cattle. Because of their love of rural life they never contemplated any other way of making a living.

### **The Operation**

The land base for the farm is three quarter sections of which 90 acres are in hay and the rest is used for pasture. The beef cow-calf farm grew to running 50 cows but was downsized to 20 cows two years ago and is now back up to 50 cows.

Mr. and Ms. K are currently semi-retired but they continue to assist their son who has been assuming more of the farming responsibilities. Their son, who started farming four years ago, lives on the next quarter and looks after the feeding of the cattle.

The equipment for haying and doing chores is owned. They also own a mix mill for which barley is bought to make chop to feed to the livestock. The feed lot is cleaned by a custom operator.

In the past their calves were born in February but they now calve in April. They use a Longhorn bull for heifers and Gelveih bulls on the rest of the herd "to get a particular colour of calves."

Off-farm employment has been important in providing for the living expenses for the family. Both Mr. and Ms. K have worked at a variety of jobs.

### **Land and Facilities**

The three quarter sections were acquired in pieces. They inherited 80 acres of one quarter and later bought the other 80 acres for \$16,000. The other two quarters were purchased earlier, one for \$1,500 in 1964 and the other for \$3,500 in 1968. The land is hilly with bush and is better suited to cattle rather than grain.

The operation is based in Mr. and Ms. K's yard site with the main facility being a 32ft. by 70ft. loose housing shed which was built in 1972. The house was built in 1977. The shop was built in 1985 and the small calving barn was built in 1990.

## Technical Expertise

Both Mr. and Ms. K have a farming background. Mr. K acquired his farming knowledge through experience. Ms. K has clerical training but has worked at other jobs in the area.

In the 1970's both Mr. and Ms. K participated in the Farm Diversification Program which provided information not only about farming but also provided personal development in areas such as decision making and goal setting. They keep detailed records of all the animals in their cattle operation including calving dates, weights, prices, etc.

## Financial

The financing for this farming operation took place over an extended period of time. The cattle herd was built up gradually and the house, shelter and shop were built at more different times. Off-farm income has been very important to providing financial stability.

The land and buildings have a value of approximately \$150,000 with about \$20,000 owing. The cows and equipment are valued at about \$75,000 with approximately \$11,000 owing. An operating loan of up to \$16,000 has been available but has not been used for the last seven years. During the last few years of the annual income from the farming operation derived from the sale of calves has been in the \$20,000 range with expenses of about \$16,000. Off-farm income has provided the majority of the living expenses.

Currently, Ms. K has some off-farm income and the majority of their living expenses are paid by their pensions.

Financial Summary				
Assets			Liabilities	
Land / Buildings				
Land				
Buildings				
Total		150,000		20,000
Equipment / Livestock				
Equipment				
Livestock				
Total		75,000		11,000
Operating Loan			up to 16,000	
Income			Expenses	
Livestock	20,000		16,000	
Total		20,000		16,000
Net Annual Profit				
Off-Farm Employment Income				

## **Marketing**

The calves were usually sold in the fall directly off the pasture at local auction markets.

## **Looking Ahead**

Mr. and Ms. K are semi-retired and are planning to pass the cattle operation on to the son who has started to farm. He has been farming with them for the past four years.

## **Lessons Learned**

Mr. and Ms. K feel that they have learned some important lessons through the years. An outbreak of brucellosis in the 1980's was a major stumbling block which Mr. and Ms. K have overcome. They lost all their cows, horses, dogs and cats and could not have any animals on the premises for one year. Purchasing cows from a neighbour and pasturing them elsewhere until the year was over helped them get back into cattle.

Another piece of advice they would pass on to others is "try doing without rather than going into debt." It is important that both members of the couple have the same goals, "our farm – our money", because paying interest on any loan, especially an operating loan, was very difficult. However, it is a difficult decision trying to decide whether to build gradually or to buy all at once. Interest payments can be quite significant.

Successes that they have experienced include raising a family of five and having the opportunity to travel to various places in Canada and the U.S. They felt that along with all the work associated with farming it was important to take time to do some traveling.

Mr. and Ms. K would recommend farming to others who are considering a small farm. They are happy with where they live and with the farming operation they have built through the years.

## **Story # 12 – Mr. and Ms. L**

### **In the Beginning**

When Mr. L was 18 years old he rented a half section of land and used his father's equipment. In 1967 he bought another half section with a mortgage from the previous owner. For three or four years he worked with his brother and found that the cooperation was very helpful in getting his farm started. For 15 years the farm included an additional 1000 acres of rented land with 900 acres in grain and 100 acres in hay.

Mr. and Ms. L started with 20 cows that they used to make their farm payments. Milking cows, selling cream and raising pigs and chickens were a necessary part of getting the farm started. Mr. and Ms. L set themselves a goal that was to build a herd of 100 cows and they did get up to 70 cows. Mr. L worked off the farm but only for a short time.

### **The Operation**

Currently the farm consists of one section that is owned with 450 acres in crop, 100 acres in hay and 90 acres in pasture. They have access to a good supply of water and have a herd of 52 cows. Eighty acres of fenced pasture are rented from neighbours.

Crops such as wheat, canola, barley, flax and oats are grown with some being grown under contract. The farm has a full line of grain production and haying equipment that is owned by the couple. They choose not to lease equipment.

They contract custom work to truck their grain to the elevator, to clean their feedlot, and to do some of the spraying of the crops.

Mr. and Ms. L do all the everyday work on the farm so hired help is not required.

### **Land and Facilities**

The one section land base consists of 450 acres of crop, 100 acres in hay with the remainder being used as pasture. The crop land is quite productive but the rest has some bush and ravines. In general, the land has good drainage with some stones and not too many sloughs.

The farm site facilities include loose housing shelters, grain storage and machine sheds.

### **Technical Expertise**

In the beginning days of his farming career, Mr. L attended agricultural school in Brandon during one winter and through the years he took in some short term training seminars to learn more about the livestock and crop growing areas of farming.

As a youth Mr. L was a member of a 4-H calf and seed clubs and in later years he was a leader of a 4-H seed club.

## Financial

Mr. and Mrs. L are on the verge of retirement but they did share this advice "buy new machinery to avoid taxes taking all the money." However, they also advise keeping any mortgages low.

Mr. and Ms. L value the land and buildings at approximately \$250,000 with about \$3,000 owing. The equipment and livestock are valued at about \$270,000 with about \$5,000 owing. Annual income from the farm is approximately \$120,000 with expenses in the \$80,000 to \$90,000 range.

Financial Summary			
Assets		Liabilities	
Land / Buildings			
Land			
Buildings			
Total	250,000		3,000
Equipment / Livestock			
Equipment			
Livestock			
Total	270,000		5,000
Operating Loan			
Income		Expenses	
Grain / Crops			
Livestock			
Total	120,000	80,000 - 90,000	
Net Annual Profit		30,000 - 40,000	
Off-Farm Employment Income			

## Marketing

Through the years the couple has used the local elevator for marketing the grain they produced. For the sale of some grains and oilseeds they have used forward pricing but only after the crop has been harvested.

Calves from the herd are sold at one year of age at one of the auction markets in southwest Manitoba

## Looking Ahead

As previously mentioned Mr. and Mrs. L are on the verge of retirement and will retain the house, yard and buildings on the home site. Nephews will rent the crop and pasture land.

They look forward to having more time for socializing and traveling, particularly on bus tours.

### **Lessons Learned**

A number of stumbling blocks have been experienced with the most difficult one being "hailed out" for three years out of the 35 years that they have farmed.

Many lessons were learned but the most important lessons the couple would pass on to others is "keep mortgages low and keep replacing equipment." Mr. and Mrs. L would certainly recommend farming life and rural lifestyle to others.



## **Story # 13 – Mr. and Ms. M**

### **In the Beginning**

Mr. M grew up on a farm on another part of the section on which they now live. For 14 years he worked in Alberta driving a freight truck. Ms. M has a farm background as well. They have raised four children and their long-range plan was to "make a good living and farm."

In 1966 Mr. M bought his first quarter and cleared some of it in 1969 while still based in Alberta. He bought two cows before moving back to Manitoba. The family moved back to Manitoba in 1971 to start farming and to raise their family in a rural community. They sowed the cleared land to alfalfa and in 1976 they purchased a second quarter for pasture. The beef cattle herd was built up to 25 cows and they also acquired a few pigs and chickens. Initially they used a team of horses to do the chores before they bought a tractor with a loader.

While they were establishing themselves, they both worked off the farm. Through the years Ms. M worked at a variety of jobs in the area while Mr. M worked in construction and for a local farmer.

### **The Operation**

After 32 years of farming Mr. and Ms. M are semi-retired. The farming operation consists of two quarter sections of pasture and hay land all of which is rented out to other farmers.

The farm has been a beef cow-calf operation that was built up to 25 cows. The herd was dispersed in 2002.

The main facilities for the farm are the loose housing shelter and the machine shop which they built by themselves.

Mr. M owns a tractor, cultivator and haying equipment. They have never leased equipment.

Now that they are semi-retired and the cattle have been sold, the only commodity that they have for sale is the second cut of the alfalfa. The renter of the hay land gets the first cut.

### **Land and Facilities**

Mr. and Ms. M chose to purchase the land on which they currently reside because it was close to where Mr. M grew up. The land is very productive and the portion with the sloughs and bush is well suited to being used for pasture.

Their facilities include a loose housing shelter, machine shop and granaries.

### **Technical Expertise**

Both Mr. and Ms. M had grown up on farms and learned about farming from their families and through experience. In addition, Mr. M worked for other farmers and, hence, had another opportunity to learn.

The experience that Mr. M gained through working in building construction was particularly helpful in constructing facilities such as the loose housing shelter, machine shop and granaries.

## Financial

The farm was built up over a number of years with financial support from off-farm employment. Most of the equipment was purchased as used equipment.

Their land and buildings are valued at approximately \$140,000 and their equipment is valued at about \$20,000 with nothing owing. The annual income from the farm was in the range of \$10,000 to \$12,000 with expenses amounting to almost the same figure. Off-farm income of approximately \$15,000 covered most of their living expenses.

Now that Mr. and Ms. M are semi-retired their pensions provide for most of their living expenses.

Financial Summary			
Assets		Liabilities	
<b>Land / Buildings</b>			
Land			
Buildings			
<b>Total</b>		140,000	nil
<b>Equipment / Livestock</b>			
Equipment		20,000	
Livestock			
<b>Total</b>		20,000	nil
Operating Loan			
Income		Expenses	
Grain / Crops			
Livestock			
<b>Total</b>		10,000 - 12,000 (in past)	10,000 - 12,000 (in past)
<b>Net Annual Profit</b>			
<b>Off-Farm Employment Income</b>			
		15,000 (in past)	

## Marketing

The hay from the second cut of alfalfa is marketed in the local area.

When they still had the cows, their calves were sold in the fall or in February at local auction markets. This was their only marketing option because "to have finished the calves they would have had to buy grain."

## Looking Ahead

Mr. and Ms. M are looking forward to their retirement. They plan to continue living on the farm and carrying on the farming operation at a much-reduced scale.

## **Lessons Learned**

Mr. and Ms. M would recommend the business of small-scale farming “but some financial backing is required to get started.” Either family financial support or off farm employment is necessary to establish the farm.

They also advise people to “make sure that they can afford to pay for what they buy.” For them it was essential to find suitable used equipment to keep the costs down and they would pass on that advice to anyone getting into farming on a small scale. However, it is usually a challenge to find equipment which is designed for a small farm and that is still in good repair.

## **Story # 14 – Mr. N and Ms. N**

### **In the Beginning**

Mr. N's and Ms. N's parents came to Canada in 1924 and started farming in the area in March of 1925. In 1929 they built the house on the home half-section. The farm was a mixed farm with cattle, pigs, chickens, geese, ducks, turkeys and grain. Initially, they had dairy cows for shipping cream. The parents improvised in many ways including erecting a barn with a straw roof.

After their father died in 1962, they took over the farm and went into raising beef cattle instead of dairy cattle. The operation was a cow-calf operation in which the number of cows went as high as 100.

### **The Operation**

The current farm is a cow-calf operation with 70 cows on a land base of three quarter sections. They own two quarters of which 175 cultivated acres are seeded to hay and the rest is native pasture. In addition they rent one quarter of hay land. Over the years they have frequently made use of the community pasture and have had to supplement their feed supply by purchasing additional hay.

The facilities for the farm include a barn, two loose housing shelters and some older wooden granaries. They have a full line of chore and haying equipment including a haybine, mower, rake, square baler, round baler and two tractors. All their machinery is owned. Cleaning the feedlot, hauling gravel and clay and transporting their calves to market are jobs that are hired out to others. Since they do not grow cereal crops they do not have a source of straw on the farm. They often bale straw on distant farms and get these bales hauled to their farm.

The cows calve from February to April and the calves are kept over the next winter to be sold in the spring at local auction markets.

### **Land and Facilities**

The land base of two quarters came from the previous generation and they have carried on the operation. As the cow herd increased, an additional quarter was rented to fulfill the need for more hay.

The facilities on the farm include a barn, two loose housing shelters and some older wooden granaries. Since the straw roof on the barn required repairing each year, a new barn was built in 1944. The loose housing shelters were added later.

### **Technical Expertise**

Mr. N and Ms. N learned much of what they know about farming from their parents. After school they helped with the chores.

Through the years, they have not had time to take in training sessions.

## **Financial**

In the early days of the farm shipping cream was important to providing a small but regular source of income.

## **Marketing**

Local auction markets are used for marketing their calves.

## **Looking Ahead**

Their future plans are to reduce the number of cows and phase out the cow-calf operation gradually. They plan to continue living on the farm as their health permits.

Although Mr. N and Ms. N are not optimistic about the future of small farms with the larger farmers bidding up the price of land, they do see some small farmers diversifying to make their small holdings more successful and to supplement their income. Some do hairdressing in their homes, some sell eggs and spices and others supply labour to the larger operations.

They also feel that young people do see farming as "too much of a gamble." In pursuit of a more secure future "the youth get their education and go away in search of a job". Some young people may start with their parents and may continue with the farming operation but "today no one wants to start farming on a half section."

## **Lessons Learned**

Mr. N and Ms. N enjoy living in the country. "It is nice to be able to be by yourself and you don't have to worry about bothering anyone."

Another important lesson is that "it is not necessary to compete with your neighbours." They realize that it is essential to have equipment but it is equally important "to have the money before buying it."

Building up the farm without much money was the main obstacle that they overcame. "For years the cream cheque paid for the groceries."

They recommend the life that they have had on their farm to anyone interested in country living. But they strongly advise would be farmers "not to get into too much debt" and "not to pay too much interest."

## **Story # 15 – Grant Rigby and Judith Nugent**

*Note: This farmer has asked that names be used in the final document.*

### **In the Beginning**

Mr. Rigby grew up on the family farm homesteaded by his great-grandfather. After completing high school, one year of university Arts and one winter in a work camp, he decided to study for a science degree in Agriculture. At university he met his wife, who has continued since graduation in her profession as a plant breeding research technician.

Prior to graduation he purchased a half section with mortgage financing and commenced grain farming in 1978 in conjunction with his parents until their retirement in 1996. The combined farm grew to three sections by the mid 1990's, which was larger than typical of farms at that time. Traditional agricultural aesthetics conflicted with a new concern for soil conservation, and he elected to discontinue renting seven quarters of land over the principle of his refusal to cultivate erosion-prone knolls in the fall. During this period of conventional farming, the grain farm paid its expenses and was modestly profitable despite not participating in GRIP subsidies. The farm was intensively managed using futures hedging to manage price risk, and using the latest equipment, fertilizers and pesticides. Since the late 1990's the grain farm has been limited to the five quarters owned.

### **The Operation**

Illness and death of several grain farmers from cancer has led him to suspect exposure to most pesticides as human toxins and implicated in damaging immune systems. He is not against the controlled usage of registered safe pesticides, but is concerned about the sloppy application methods of these poisons, such as dispersion as aerosols during spraying and accidental contact with concentrated toxins by farm workers and families. His policy is now to prohibit all skull and crossbones labeled pesticides from his farm.

Following two years of avoidance of all synthetic pesticides and fertilizers, he commenced selling his first certified organic crops in 2003. To minimize weed competition and risks of insects and disease epidemics, he has adopted the practice of growing companion crops such as nitrogen fixing pulse crops planted together with cereal crops. He is considering mowing frequently for thistle control instead of risking erosion with tilled fallow. Late spring tillage followed by competitive crops reduces most weeds, as will winter cereals. Weeds that are adapted and thus dominate in wet areas at risk of salination are appreciated for their role in drying the soil and preventing upward movement of salts.

The facilities used include steel granaries and implement storage buildings. The grain farming equipment now consists entirely of inexpensive older, small-scale machinery that is of low cost to repair and beyond significant risk of loss of equity via depreciation. Custom combining is hired to achieve access to large-scale harvest efficiencies.

A fifteen acre raspberry orchard enterprise was first planted in 1987, and its replacement planting commences full production in 2004. Geese are used for weed control, together with hired labour.

## **Land**

The five quarters of land are of reasonably productive rolling rocky clay loam soils with some knolls and sloughs.

## **Technical Expertise**

Following his bachelor degree in Agriculture, and concurrent with grain farming, he was employed five years as a market analyst and special crops buyer in a grain company head office in Winnipeg. During this period the agriculture industry became aware of an economic need to advance value added processing. With the objective of initiating a food processing enterprise, he then commenced studies for a master's degree in Food Science, graduating in 1989.

## **Marketing**

The certified organic crops are marketed to established and new buyers at farm gate prices approximately twice those of conventional crops. The organic sector is reported in food trade magazines as continuing to be an important growth area of the food industry.

He processes and markets the raspberry crop as fruit condiments and wines under his own brand.

## **Looking Ahead**

To continue to avoid high equipment costs, he may consider renting seeding implements from larger farms following their earlier spring operations. The risk of overly delayed seeding will be evaluated against the risks of high investment in depreciating equipment. He is not anticipating the need to expand the land base of the farm.

## **Lessons Learned**

"Erosion is minimized, especially on the knolls, by avoiding fall tillage. Compaction adjacent to sloughs is reduced by seeding in curves around sloughs to avoid lifting and turning implements on wet soil. Salinity risk adjacent to sloughs and roads are minimized by promoting diversity of vegetative growth through the entire growing season, which is not possible if crops intolerant to wet soils are grown as pure monocultures via the use of broad spectrum herbicides."

"Small farms can take heart in a JD equipment brochure that reports U Minnesota economists concluding that after considering all costs, including labour, fuel, repairs, purchase and resale values, etc., that a simple two wheel drive tractor pulling a 10 foot tandem disk provided a lower overall cost per acre than all larger sizes."

"Expensive global positioning systems are unnecessary for precision field work with small equipment using old fashioned soil markers and eyesight."

"In general, new grain farming equipment is overpriced and too complex and thus too expensive to repair. In our society, most work is now done in factories off the farm, producing large-scale equipment that minimizes farm workers. Given that most new equipment is assembled in a scale

appropriate only for large-scale farms, small farmers should consider purchasing only the component parts of useful new technology and incorporating it into their own equipment."

"Most, but not all, fertilizers and pesticides are over priced relative to their real economic worth when all equipment, weather and market risks are considered. This is due to the culture of farming being addicted to the fabricated image of pure even monoculture crops as the end goal of a well managed farm. These products are priced to meet aesthetic, not economic, demand."

"Commercial nitrogen fertilizer is very dependent upon the price of natural gas, which has become very expensive. Using legumes to manufacture one's own nitrogen on the farm avoids this risk of cost vulnerability and results in more uniform fertility because legumes only fix nitrogen where it is deficient. There is less risk of nitrogen leaching into the subsoil to nourish the competitive advantage of perennial thistles and quackgrass. Despite no longer using herbicides, annual weeds such as cleavers and wild buckwheat are no longer a serious problem, presumably due to the absence of excess nitrogen."

"To start a new enterprise, start small, grow smart crops, cut out the extras, use your own labour. Scale down and get rid of vulnerability. As much as possible, avoid the risk of debt financing of any entrepreneurial initiative because ordinary debt providers are mass marketers of finance, and thus not structured to finance unpredictable new enterprises. Have confidence to make your own decisions and have an open mind to explore new ideas."

"Small scale farms cannot look like large scale farms because equipment is not manufactured for small farms, and priorities also differ. Whereas large farms can survive despite declining soil productivity due to erosion and salination by merely renting more land, small farms must intensively maintain and improve soil productivity on all soils of the farm to ensure sustainable adequate net family earnings."

"Any attempt at small farming should fundamentally be done for old fashioned reasons such as the quality of life, independence to make and correct your own mistakes, observation of wildlife, fresh air, and because you like it."



*Note: The following five stories were researched and written by Amanda Naughton with some corrections made and the financial summaries added by Sally and Carl Cunningham.*

## **Story # 16 – Mr. and Ms. O**

### **In the Beginning**

It was a decision that Mr. O never thought he would make. After living in Alberta and not being satisfied with working for someone else they decided to start their own business. Considering what they knew, farming seemed to be the best choice. Mr. O had grown up on the farm and was confident in his knowledge of farming and Ms. O was drawn back to the land.

They started farming in 1978. The reality of owning their own operation quickly set in. For Mr. O working on the farm with his dad and running his own operation were two different situations. There was a lot of trial and error to run a farm that would become sustainable on its own and support a family.

Mr. O remembered how difficult the first five years were. "We grossed \$12,000 the first year. People on welfare lived far better than we did and we worked from morning to night as hard as you can go."

### **The Operation**

The main source of income from the farm is the dairy that started in 1981. The dairy with 42 - 45 milkers provides a monthly income. The total operation is then supplemented through the rest of the land base that consists of 707 acres. Approximately 300 acres are harvested organic crops, 150 acres of alfalfa, 75 acres of clover and 70 acres of pasture for the milkers. The rest of the land is bush pasture for feed steers and young stock.

### **Land and Facilities**

Mr. O and Ms. O asked Mr. O's father to scout out farms that were for sale in the area. When the decision to buy came, they decided on a small farm two miles from Mr. O's father's farm. There was much work needed to build up the farm.

The old hip roof barn was built in 1941 and needed to be renovated to accommodate a dairy operation. Mr. O did the renovations himself and the only new piece of equipment that was purchased was a barn cleaner. The milk barn ties 36 milkers. Because of the need to rotate cows when the numbers were increased to 42 or more, the workload increased significantly.

The crop land had been chemically farmed at the time of purchase. It took five years to get the land back to health. The land is rated Class 4 soil and is certified organic and managed through a three year rotation schedule. Area average crop yields are expected the first year of rotation.

## **Technical Expertise**

Mr. O's basic knowledge of farming came from growing up and working on his dad's farm. However, when Mr. O began his own farm he quickly realized that he didn't know as much as he had thought. "When we started farming we realized that we didn't know how to farm at all. When you're responsible for decisions, bills and management, that's when you get smart real quick."

Mr. O became a director with the Milk Board about a year and a half ago. This has been an opportunity for him to learn more about the dairy industry by taking part in workshops, tours and meeting other dairy producers. "A shortfall with the prior lifestyle was not seeing what other people were doing. You're missing out because new things come along and you're not aware how to take advantage of them."

## **Financing**

The half-section farm was bought for \$45,000 which included a loan from Mr. O's father of \$5,000. Mr. and Ms. O had the option to buy seven-quarters but opted to only buy two. This decision was made with some influence from Mr. O's father who was a very cautious man and never wanted to borrow money and never saw the need to. When Mr. O's father died they began renting his half-section.

Mr. and Ms. O do carry an operating loan that helps in creating a better quality of life. "Not having an operating loan would hold us back," says Ms. O. "Loans are alright as long as you manage them," agrees Mr. O. They have made it a goal to keep their debt load down to 25%. They felt that in the beginning this kept them back, but to borrow more was not an option they were comfortable with.

## **Marketing**

The monthly income of the dairy allows Mr. and Ms. O to be flexible in their marketing strategies for their organic grain. The Milk Board stabilizes the price that producers receive for their milk. The organic grain market is a much more volatile. Finding buyers that you trust and who will pay the price you are looking for is not an easy task. Both Mr. and Ms. O share this responsibility in watching the markets and dealing with buyers. They do occasionally use a broker.

## **Looking Ahead**

Mr. and Ms. O's son has bought quota and has been farming full time for four years. He bought his first quota for the dairy in 1999, and is hoping to buy another kg in the fall of 2002. A formula has been worked out between Mr. O, Ms. O and their son which includes him paying toward a share of his quota income for cows, the barn, feed, machinery and land.

They are at present building a new barn to house 60 cows. They intend to buy quota as their production warrants and they also see increasing their acres slightly which puts more emphasis on marketing their organic grain.

"Farms are built over generations," says Mr. O. "You have to accept that everything we would like to have done isn't going to be done in the first generation." At 45, Mr. and Ms. O aren't

looking at retirement in the near future. However, they are trying to get away from the farm more often.

### **Lessons Learned**

The first years of farming were definitely a struggle for Mr. and Ms. O. The lack of capital and trying to keep their debt load down, kept them back in the beginning. "Not many would have chosen our lifestyle in our early years," says Mr. O.

They enjoy the life that they have built for themselves and would recommend their lifestyle to others. They however do know that this life isn't for everyone. To keep from burning out, they now try to force themselves to take time off from the farm work. They also believe that you must have patience and make reasonable expectations to be a successful small farmer.

Mr. and Ms. O believe that their success can be measured in the quality of life they lead. They met their expectations to have a farm that was sustainable and provided a good life for their family. They also see the farm continuing through their son.

## **Story # 17 – Mr. and Ms. P**

### **In the Beginning**

The P's farm was homesteaded by Mr. P's grandfather in 1884. It had then passed through Mr. P's father's hands to his brothers. Mr. P was quite content to work for his brothers. He had even passed up the opportunity to buy his brother's share when he retired in 1986. One brother bought out his brother's share and agreed to continue to hire Mr. P to work with him on the farm. This was a beneficial agreement to both. His brother was a bachelor but did not want to work alone, and Mr. P enjoyed working on the farm but wasn't interested in taking over the debt load.

In 1987, Mr. P's brother was killed in a farm accident. He willed everything to Mr. and Ms. P. This included the land, cattle and the mortgages which in Mr. P's words was "a fair bit of it all." At that time Mr. and Ms. P could have sold the operation, cleared the debt and would have been ahead in money. However, that left Mr. P without a job. They decided to keep the operation and try to make a go of it themselves. They hoped to reduce the operation to a manageable size that Mr. and Ms. P could manage themselves.

The expectations of Mr. and Ms. P weren't high. They knew the type of debt load the farm was carrying. It was the way of life that made their decision to keep the farm. Their needs weren't great and if they could make a living and be able to put their children through school they would be satisfied with their decision.

### **The Operation**

The farm is a cow calf grounding feedlot operation. They have a base herd of 160 cows and manage 300 - 450 head of cattle depending on the time of year.

The land base has gone from 1350 acres to 800 acres. Most of this is forage however, approximately 300 acres is sown to either corn or barley for feed. Their decision to reduce their acres came from wanting to have an operation they could manage themselves. They lived out the cash rental agreements with Mr. P's brother. Three years ago when the rest of his brother's land came up for sale, they passed on buying a 220 acre parcel that would have complemented the other quarter-sections they owned.

Mr. P had just started attending Holistic Management seminars at the time his brother's land was up for sale. The seminar was on quality of life issues. The decision to not buy the land was based on whether their quality of life would be better or worse if they bought that land. They had been grain farming this parcel and decided that they weren't making money off the grain and if they kept the land their quality of life would be worse than without it. It was a decision to prioritize the economics rather than the emotional attachment to the land.

Since starting the Holistic Management seminars, Mr. and Ms. P have begun to look at their operation in a different way. Mr. P is very mechanically inclined and there is no need to upgrade the machinery they have. Most of it is 20 years old, but it isn't a viable option for the farm to purchase new equipment. They now are investing their money into improving their grazing

management. This means fences, water distribution et cetera. These things don't depreciate like machinery.

### **Technical Expertise**

Mr. P is a trained welder and both have taken courses for agriculture management and seminars for holistic management. Mr. P also reads to keep up to date on new technologies and practices. "The trick is to decide which of the new technologies and practices will aid in achieving our goals," says Mr. P. "Some technologies achieve someone else's goals."

Mr. and Ms. P have started a different type of grazing system. It entails high stock density, short duration grazing with long recovery periods. This isn't expensive to start and they are hoping it will improve the land and increase the forage production. They are pleased with the results they've seen so far.

### **Financing**

Deciding to keep the farm was a difficult decision for Mr. and Ms. P. The large debt load meant that they would have to look at the way they managed the farm financially. They have managed to keep their debt load to 50%. This has been done despite investing in their children's education.

### **Marketing**

Mr. and Ms. P keep a close eye on cattle prices. They have chosen to finish their calves and then sell them, which normally brings a higher price. The new grazing practice is hoped to help lower the input costs as well as improve the forage for the cattle.

### **Looking Ahead**

Mr. and Ms. P have started to re-evaluate their operation by becoming involved in holistic management practices. Through holistic management they have developed goals for their quality of life, forms of production and landscape of the farm. They are looking at improving their grazing practices as well as their handling practices.

Neither of their daughters has shown a direct interest in taking over the farm. Both have graduated from university and are establishing their careers. The farm would have to be a viable option for them to consider taking the farm over.

### **Lessons Learned**

Mr. and Ms. P have learned to be open to new practices and technologies with keeping your operation in mind. They have recorded results from soil samples from their land for a number of years. This allows them to make knowledgeable decisions when it comes to chemical applications and not just taking the chemical rep's word. They have also learned to question where new advances, technologies, practices, and programs come from and to look at who truly benefits from them.

Their success is measured through the goals they have established. They keep a copy of them on the fridge as a reminder of what they have achieved and what they are working to achieve and maintain.

Financial Summary		
	Assets	Liabilities
<b>Land / Buildings</b>		
Land		
Buildings		
<b>Total</b>	400,000	150,000
<b>Equipment / Livestock</b>		
Equipment	100,000 - 150,000	
Livestock	180,000	
<b>Total</b>	280,000 - 330,000	nil
	<b>Operating Loan</b>	up to 130,000
<b>Income</b>		<b>Expenses</b>
Grain / Crops		
Livestock		
<b>Total</b>	190,000 - 195,000	
<b>Net Annual Profit</b>		40,000 - 50,000
<b>Off-Farm Employment Income</b>		

## **Story # 18 – Mr. and Ms. Q**

### **In the Beginning**

Mr. Q knew he would be a farmer. That was all he had ever wanted to do. He enrolled in an agriculture diploma program after high school and partnered with his parents for two years until they sold the farm to him.

Mr. Q didn't want cattle. Mr. Q wanted to grain farm and if he couldn't make it grain farming he'd do something else. Mr. Q wanted to travel and having livestock didn't lend well to that.

He didn't have high expectations for the farm in the beginning. It was a difficult time in farming, but with some evidence of success his expectation for the farm began to grow.

### **The Operation**

Mr. and Ms. Q farm six-quarters of crop now. They also have three quarters of alfalfa and one quarter of pasture. At one time they did have as much as thirteen-quarters of crop but their goal now is to farm four-quarters of grain each year and to rotate that with three quarters of alfalfa which they rent out standing to a neighbour. They also rent a quarter of poor land out for pasture.

Mr. Q currently shares seeding equipment with a neighbour. This partnership has allowed Mr. Q to cut the cost of machinery and makes the machinery he does have worth the investment. Mr. Q gets his crops custom combined during harvest. This has also saved him the expense of a combine. He hires to have most of his grain hauled to the elevator to save buying a truck.

### **Technical Expertise**

Mr. Q graduated from a diploma course in agriculture. He also learned the art of farming by farming with his dad, neighbours, reading, involving himself in different organizations, and trial and error.

Mr. Q isn't afraid to try new crop varieties or new techniques. He was one of the first in his area to grow canola and was also the first to completely zero-till his land.

### **Financing**

Mr. Q financed the farm through the Farm Credit Corporation in 1973. Mr. Q lucked out and made some money in his first years due to the rise in grain prices.

Mr. Q has tried to keep his debt load manageable and doesn't feel comfortable if it is more than \$100,000. He and Ms. Q make sure that the money they do have is working for them in a diversified portfolio of savings and investments.

Some of the financial success of the farm comes from the continuous budgeting done by both Mr. and Ms. Q. The personal and farm budgets that are set out by Mr. and Ms. Q are evaluated almost

on a daily basis. It is important that the two are separated and that one isn't used to compensate for the other.

### **Marketing**

Mr. Q describes himself as a lazy marketer. He sells his good grades through the Wheat Board. He does look for other markets but doesn't spend a lot of time on it. He did begin a marketing group in Melita of local farmers. Mr. Q feels that this group provides a networking opportunity to him.

### **Looking Ahead**

Mr. and Ms. Q hope to continue downsizing the farm. They are looking into the possibility of getting their land custom seeded as well as combined. This decision has resulted from both the probability of their neighbour retiring and the smaller land base.

Retirement for them is still at least a decade away. As both Ms. and Mr. Q enjoy travelling they want to ensure that retirement will be a time that they can enjoy and afford.

### **Lessons Learned**

Here are some words of wisdom from Mr. and Ms. Q:

- You can't put things off.
- Know your land
- Budgeting is very important. Budget from one harvest to the next and always know where you stand.
- Be open to new ideas and technologies but know what will work for you.
- Work with what your land is capable of
- Be realistic when you estimate your capabilities
- Be slightly pessimistic.

"We have the lifestyle that people who read Harrowsmith are looking for!" says Ms. Q. He believes that luck, good management, and a good start can add to your success in farming but you must also have certain qualities to live the lifestyle. These qualities include: self motivation, willingness to learn from others, to learn traditional knowledge, willingness to work for things and not expect them, and to be a little eager.



Financial Summary			
Assets		Liabilities	
<b>Land / Buildings</b>			
Land	400,000		
Buildings	50,000		
<b>Total</b>		450,000	nil
<b>Equipment / Livestock</b>			
Equipment	110,000		
<b>Total</b>		110,000	nil
<b>Operating Loan</b>		up to 50,000	
<b>Income</b>		<b>Expenses</b>	
Grain / Crops			
Livestock			
<b>Total</b>			
<b>Net Annual Profit</b>	30,000 - 50,000	(30 -50 per acre)	
<b>Off-Farm Employment Income</b>		6,000 plus some investment income	

## **Story # 19 – Mr. and Ms. R**

### **In the Beginning**

Mr. and Ms. R became the third generation to operate their farm in 1985. They decided to run their farm organically. Knowing that they were providing their family with “good food without the garbage” was extremely important to them.

“We feel you should be good stewards of what has been entrusted to you and we need to leave this land in better shape than when we got it,” proclaims Ms. R.

The expectations for the farm weren’t high. Their hopes were to have a simple operation that would sustain itself and the family. The farm is an almost self-contained operation. The farm provides all of the food for Mr. and Ms. R and supplements many neighbours that purchase extras from Mr. and Ms. R.

### **The Operation**

The farm today consists of three-quarters of section of land, 50 head of cattle, 23 horses (mainly saddle horses), 3 milk cows, 150 butcher chickens, 60 laying hens, 6 sows, fruit trees and bushes, and a large garden.

Mr. and Ms. R’s farm was once a certified organic. They even handle their livestock organically, which requires diligent management and is more labour intensive. They had certified themselves in order to get a reputation in the organic industry. When the fees rose they decided that since they were not marketing their produce past the immediate local market they would not re-certify. Their market knows their farming practices and are still confident in their practice of organic farming.

### **Land and Facilities**

The farm is located on a half section. Mr. R had also bought a quarter section by the provincial park in 1980. Mr. and Ms. R own some modest harvest and haying equipment. Mr. R uses a team of horses and a round bale mover in the winter to feed cattle. They also have a barn, machine shed, tractor, 2 hip barns, cattle shed, chicken coop (brooder house), 10 year old pickup and a grain truck.

The hay land is sheltered by tree rows that were put in to hold the snow and increase the production on the fields. It was a labour intensive investment to plant and maintain 6,000 trees but it has proved to make a good return.

The facilities are modest and the equipment is no where near new. Once the equipment is needed to be replaced Mr. and Ms. R may look at getting their hay and grain feed custom done.

### **Technical Expertise**

Both Mr. and Ms. R were raised on a farm. Both keep current on new techniques and practices through reading, watching videos, going to seminars, and learning from friends and neighbours.

Mr. R is constantly updating himself on new techniques in horsemanship. It has become a hobby that has made money. Ms. R has taken her knowledge and has given talks on organic gardening.

### **Financing**

They started by buying machinery from Mr. R's father and renting the land. Once the machinery was paid for, they decided to buy the farm from Mr. R's parents. The machinery was bought for \$140,000 and was paid off in the year 2000. Mr. and Ms. R did not go through the bank and decided to make payments with interest to Mr. R's parents directly. Through diligent budgeting through the lean years Mr. and Ms. R never missed one payment.

### **Marketing**

The cattle are organically raised, however they do not sell them for a premium. They butcher any cattle that would bring a lower price at auction either for themselves or sell it to local customers.

Ms. R at one time had been into market gardening. This brought in extra income to the farm. Though Ms. R doesn't plant as much as when she had the market garden she finds she still has a loyal customer base that phones her directly for produce.

### **Looking Ahead**

Mr. and Ms. R have no plans to retire from the farm. They enjoy the independence and freedom that the farm gives them. They both enjoy the work they do and have made their hobbies work for them.

It is the lifestyle that they love and they have no plans to leave it. Neither of them are money conscious. They are comfortable with what they have and the life they lead.

It is the goal of Mr. and Ms. R to produce the freshest, most appealing product. They want to offer their customers the best produce possible and take satisfaction in the quality of produce they provide.

### **Lessons Learned**

Mr. and Ms. R would definitely recommend their lifestyle to others. Farming allows people to experience peace and quiet, freedom and independence. They have good relationships with their neighbours and feel that they have many things to be thankful for. Their bank account is not what is important. Providing a good life for their family and meeting their expectations and goals is their success.

Financial Summary		
	<b>Assets</b>	<b>Liabilities</b>
<b>Land / Buildings</b>		
Land	250,000	
Buildings	100,000	
<b>Total</b>	350,000	nil
<b>Equipment / Livestock</b>		
Equipment	50,000	
Livestock	50,000 - 60,000	
<b>Total</b>	100,000 - 110,000	nil
<b>Operating Loan</b>		up to 30,000
<b>Income</b>		<b>Expenses</b>
Grain / Crops		
Livestock		
<b>Total</b>		
<b>Net Annual Profit</b>	20,000 - 40,000	
<b>Off-Farm Employment Income</b>		

## **Story # 20 – Mr. and Ms. S**

### **In the Beginning**

Mr. and Ms. S bought their farm in 1979. Mr. S worked for PFRA and they decided on the farm site because it was close to work and the Turtle Mountains. Mr. S worked for PFRA until 1994 when he went to California to further his education in horsemanship. Ms. S held a few part time jobs along the way, but prefers to be at home putting her energy into her family.

With Mr. S's passion for horses, he decided to make that his focus of the operation. A couple of years ago Mr. and Ms. S decided to not continue their cow calf operation and started custom grazing and training horses on a more full-time basis.

The expectations for the operation were to make a comfortable living. It was a choice for the lifestyle and not an opportunity to get rich. Their vision was a simple set up where Mr. S could run some cattle and train horses.

### **The Operation**

The farm consists of a sixteen and a half acre yard site. The barn was renovated when they bought the farm to accommodate a round pen for starting colts. They also have an outdoor arena where they host their local team roping club on a rotating basis.

Mr. and Ms. S now use their half-section for hay land and custom grazing. They own some very modest haying equipment and get their baling custom done.

Ms. S has a large garden as well as 75 chickens. She has plans on selling the chickens and possibly some of the garden produce. She also does crafts and enjoys photography. Ms. S is looking into was of creating some income from her hobbies.

### **Technical Expertise**

Mr. S grew up on a farm near by. He learned the beginnings of horsemanship from his father. When Mr. S took the course in California, he realized he knew more than he thought. He however learned to put on clinics, and sharpened his horsemanship skills.

Mr. S keeps up to date on new techniques through videos, clinics, reading, and neighbours. He is currently interested in Natural Horsemanship.

### **Financing**

Mr. and Ms. S did not qualify for loans through Farm Credit and instead had to go through the bank. Unfortunate timing saw a sharp increase in interest rates. Mr. S attributes working for PFRA and training horses as being the financial lifeline of the operation.

## **Marketing**

Reputation is everything in the horse industry. You must be able to stand above the crowd in order to be successful. Mr. S believes that the course in California was important in establishing his reputation locally. It also has given him a network of highly respected horsemen, which add to his credibility.

Looking at the operation Mr. S decided to drop his cattle and use his land for custom grazing (130 head last year) and to put more effort into training horses. The majority of the income was not coming from the cattle so it made no sense to continue with the cow-calf operation.

## **Looking Ahead**

Without the cattle Mr. S has more free time to train and develop the horses. Mr. S is currently interested in developing horses for Ranch Horse Competitions. This new interest has given Mr. S a chance to assess the amount of outside horses that he starts in a year. He has decided to cut back on the number he trains and concentrate on the challenge of developing a horse for competition. Though this does take more time it does give a better return on investment.

## **Lessons Learned**

Poor budgeting, bad timing contributed to the struggles in the beginning of the operation. Mr. and Ms. S are now beginning to see the light at the end of the tunnel and hope to have the farm paid off in five years.

They would recommend their lifestyle as long as you aren't in it for the money. However they do offer these suggestions in starting an operation. Have a good plan that takes in account the unforeseen expenses. Be patient, talk to the right people, look for a mentor, fairly price your time, and find out what it is actually going to cost.

Mr. and Ms. S are excited about the direction their operation is heading. There are no plans for retirement as of yet. They contribute their success to the type of life they lead and not the money in the bank.

Financial Summary			
Assets		Liabilities	
<b>Land / Buildings</b>			
Land			
Buildings			
<b>Total</b>	125,000 - 150,000		30,000
<b>Equipment / Livestock</b>			
Equipment	5,000 - 10,000	nil	
Livestock	6,000 - 12,000	6,000	
<b>Total</b>	11,000 - 22,000		6,000
<b>Operating Loan</b>		up to 4,000	
<b>Income</b>		<b>Expenses</b>	
Custom Grazing	13,000		
Horses	15,000 - 18,000		
<b>Total</b>	28,000 - 31,000		
<b>Net Annual Profit</b>	28,000 -31,000		
<b>Off-Farm Employment Income</b>		4,500	





## ***Common themes as identified by Carl and Sally Cunningham.***

In the course of discussing the various aspects of farming with the individuals being interviewed, the following themes emerged:

### **Community and Family Issues**

- Cooperative efforts among family members, neighbours and associates were seen as significant to several of the farm operators. The sharing of equipment resulted in lower expenditures on equipment and greater productivity while cooperation of family members led to increases in productivity and lower expenditure on hired labour.
- Rural quality of life is viewed in a very positive way of life with several participants stating that the farm was a "good place" to raise children. Several families chose to farm because they considered it a preferred place to raise their children.
- Safety is an important issue to a number of participants. Although finances may be tight, expenditures to improve livestock handling facilities were viewed as a wise investment.
- In instances in which the children displayed an interest in farming, the parents indicated that they would encourage and support the children's entry into agriculture. However, most parents indicated that they would encourage their children to have a "back-up" trade or profession.

### **Financial Issues**

- Attempting to reduce expenses incurred by the farm operation was important to participants. Several identified the purchase of used equipment and a commitment to repair it was seen as one way to keep the costs down. Possessing some training in mechanics was mentioned as an asset. Being creative and innovative in repairing and building equipment has been instrumental in reducing costs.
- A majority of participants indicated that the financial support received from within the family for the purchase of the farmland was instrumental in helping them begin farming.
- Acquiring equipment, livestock and inputs as a beginning farmer presented a significant financial challenge that in many cases was answered by family support.
- Large gardens and consumption of "home grown" beef and poultry illustrated the value placed on food grown on the farm. For most of the families interviewed "growing your own food" was seen as a vital part of being a successful small farmer.
- Many families have had to be creative in seeking additional sources of income to provide for day to day living expenses as well as for unexpected farm expenses. Doing custom work, raising poultry and seeking off-farm employment are ways used to cover costs.

- Several participants advised beginning farmers to insure the availability of a “cushion” to cover unexpected expenses.

### **Environmental Issues**

- Leaving the land in better condition than when they started was important to several participants. They identified the use of certain crops and methods of tillage as helpful in returning organic matter to the soil. Zero or minimum tillage, organic practices and growing of legumes to fix nitrogen were examples cited. Reclaiming land that has become saline was a challenge for some.
- Availability of water and concerns about drought are particularly challenging.

## ***Common themes as identified by Amanda Naughton***

Farming and success. Two words that most would think don't go together. This is even more so when you think about a small farm. Small farms are often thought of as unsuccessful financially. That the operator is lacking in the skills it takes to really make it farming. Through talking with five local small farmers it has become apparent that being a small farm operator is a lifestyle choice and not a financial set back.

Success is a difficult thing to measure because it means different things to different people. Money, leisure time, luxury items, paying for the education of children can all be ways of measuring success. The five small farms that were interviewed share a definition of success: Success is based on the Quality of Life not Income. To be successful you must have a satisfaction of the type of lifestyle, the freedom to do what you want, your needs are satisfied, and your wants are reviewed.

What makes a successful small farmer? Growing up on a small farm seems to be a start. The way we are raised gives us a watermark at which we base our decisions in life on. Having roots in farming perhaps gives a sometimes-false sense of knowing how to farm. Being your own boss was definitely a draw and when looking at running an operation on your own there is a comfort in farming being familiar. There is also the freedom to make your own decisions on the type of work you do and how you do it. However, you may think you know how to farm but as all parents seem to do they don't let you in on the struggles and difficulty of running your own operation. As a couple of the operators found out that working with Dad and then running your own operation are two different situations.

So a farm background helps. There are some other characteristics that come in play. You definitely have to be dedicated, have drive and be a hard worker. Sacrificing leisure time in the beginning is almost guaranteed. Working morning to night, seven days a week and working as hard as you can isn't uncommon for the first years of starting a small operation. As finances can be tight finding ways of doing things yourself is important to keep the cash flowing in the operation and not out.

This is where ingenuity comes in. A small farmer must be able to adjust to different situations. He can become his own inventor, mechanic, accountant, vet, crop specialist, baker, and butcher. These are all examples of ways that with ingenuity and skill, a small farmer can cut back on output costs for some expenses within the farm and the household. Gardening, baking, and having their own meat butchered becomes important cost saving measures. Though some of the families say that knowing where their food is coming from and knowing the quality is important to them as being a lifestyle choice, you cannot ignore how much you don't spend at the grocery store every month.

Drive and ingenuity must be balanced with patience and faith. There are too many variables like the weather and commodity prices that can make a huge difference in the net income of any farming operation. You must be able to take set backs, caused by things you can't control, in stride. There is also a need to have the faith that things will work out in the end, and that you can always learn from your mistakes.

Knowledge is also key to the success of a small farm. Small farmers cannot deny themselves from learning about new technologies and practices. However the important thing is to know your operation and only decide to implement new practices etc. if they are viable for your operation. Talking to neighbours, specialists, reading newspapers, magazines, taking seminars and being involved in organizations are important in building a diverse knowledge base of agricultural techniques and practices. Small farmers must not isolate themselves from the community but must not compromise the independence that is an important part of the lifestyle.

There must be some financial success in order to sustain a comfortable quality of life. Budgeting is important. Having separate budgets for the family (personal) and the farm (operation) is a good way of keeping a high quality of life and a successful operation. Setting a family budget and only working within that helps to limit spending on wanted items that aren't necessarily needed. You can then focus on the farm more as a business and make financial decisions that won't necessarily upset the family budget. This separation is crucial. Farming is a business that happens to have a great lifestyle that goes along with it.

Every successful business and farm set goals to accomplish. Having goals for the farm and the family are important. So is having a plan to achieve the goals. Without goals a farm can get caught up in the present and not looking toward the future. Being content with how things are going is fine but there will be a time that you can't work on the farm any longer. Then what? Most of these farm families haven't thought about retirement yet, mainly because they want to continue having the freedom and independence the lifestyle of farming gives.

When asked if they would recommend their lifestyle to others and their children, these operators said yes, as long as the person had the characteristics needed to make the farm work. Ingenuity, drive, sacrifice, hard work, knowledge, willing to learn, management skill, and setting goals are all part of the make up of a successful small farmer. Of course having some luck and a sense of humour also helps.

## **Learnings and Questions that beg for more research.**

From the Turtle Mountain Community Development Corporation - Agriculture Committee perspective, this document is part of a longer process. We invite other agricultural communities and institutions to join in the work. What questions arise as you read these pages? Here are some of ours.

### **1. Off-Farm Income.**

The latest figures released by Statistics Canada show that on average farm families make 57 cents of every dollar from non-farm related employment. Large "business-focused" farms (with receipts of \$250,000 or more) depend on outside wages for 44% of their income. The farms in our survey on average make 17% of their income off-farm. Ours is not a rigorously scientific study but it does suggest that smaller-scale farmers are more interested in being on the farm than in having higher incomes and are willing to sacrifice some luxuries for this lifestyle choice.

### **2. Home Grown Value.**

We forgot to ask the farmers we interviewed about the value of food they grow, raise and process. We know that they all do grow some of their own food - be it beef, vegetables, eggs, fruit, milk, grains, etc. and would guess they eat on average about \$1500 worth of food off of their own soil. The value of this food should be reflected in the financial summaries. We could also have asked these families about the value of creating their own leisure activities - like training horses, building ice rinks, converting old cars into 'dune buggies', building forts, etc. that ease their income generating burdens. A more thorough study of the creative means small farmers have to reduce their dependencies on wage labour would be useful for others wanting to design their own successful small farms.

### **3. The Next Generation.**

Another obvious question we forgot to ask is: Are you encouraging your children (or youth in the area) to farm? As you've read, at least half of the farm couples written up here mention the involvement of a son or daughter on their farms. We haven't seen research into the question of which farmers are more likely to encourage their children to farm. What would the farmers in these stories say about prospects for their children on the farm if we asked them outright? What would large-scale farmers say? We had a large-scale conventional farmer ask us a while back: if he set up his son on a section of certified organic land instead of on a five section farm of conventional grain land, could the son make a living? Which do you think shows the most promise? What would a scientific study show?

### **4. Farm Kids in the City.**

We assume there are rural refugees and young people a generation or two removed from farming in our cities who would love an opportunity to grow food for a living. Has anyone done a study to find out if this assumption is true, what it would take financially for them to get out of the city and what it would take socially and technically to make it a viable option for them to make the move? Do you feel we as a society, through our governments or as communities, should take on the responsibility of nurturing and recruiting farmers? We put together committees to attract light industry to our communities. What kind of farmers do we want? Which farms show the most promise? Market gardening? Grass Fed Beef? Organic? Grain and/or Oil Seed Processing?

## **5. Spending our dollars.**

Can we assume smaller-scale farmers spend a larger percentage of their income in their own communities than do larger-scale farmers? Larger-scale farmers have the ability to attract services and goods from a greater distance and in large quantities. Can we also assume that the money smaller-scale farmers spend in the local economy circulates longer than the money from larger-scale farmers in the community before it's pulled out by external makers of profit. Is there research already done on this? Would community leaders value knowing which expenditures generate the most local spin-off?

## **6. Financial Institutions.**

A farmer with a medium to large size operation told us the other day that, although he felt his farm was large enough for his family, his loans officer was suggesting that he buy more land and larger equipment so that he would be more profitable. Why is this still happening? Is there independent research to back our financial institutions in their efforts to encourage ever-larger farms? At what point does a bank or credit union decide that it would be better for the community and therefore for the lending agency's long term future to encourage there to be more farmers who are smaller scale and more intensive in their management?

## **7. Community Actions.**

Some other community stakeholders are: the municipal councils, small to medium sized businesses, churches, schools, hospital boards, consumers of quality, local food, real estate agents, decentralized government agencies, etc. all of whom (like the financial institutions) we invite to look at the diminishing returns of backing the prevailing ethic of bigness in farming. There are incentives communities can provide to new, downsizing and diversifying farmers – like helping to set up a thriving farmer's market, starting a mentorship program for young and immigrant farmers, facilitating a young farmer information/social club, negotiating a ceiling price for a quarter section of land, providing land purchasing assistance, having contests and awards that bring out the best innovations and marketing schemes, etc. Are there communities that have experimented with both the incentives and the limitations for agriculture in their areas? Before we bristle at the implied loss of freedom we should be sure not to confuse 1. regulations from outside that serve the interests of big government and big business with 2. regulations communities put together themselves to enhance and protect what they most value. Are there communities who have taken parcels of land off of the market (creating land trusts) in order to help new farmers?

## **8. Our Common Wealth.**

Many of the farmers we interviewed mentioned the need to leave the soils and ecosystems in better shape than when they took them on. Urban and rural citizens alike are asking if the agriculture systems and financial rewards associated with farming are encouraging farmers in this direction. Can we highlight the role small-scale farmers have in alerting us to the wild-domestic interface on our farms? The rising consumer interest in our common wealth (soils, water sources, wildlife, air) will continue to generate laws about farming. Rather than shying away from this evolution are we not better off welcoming a dialogue with our nearest urban neighbours? Are there case studies out there of farm communities leading the evolution towards a more conscious, deliberate interdependence?

## Resources to Aid Our Research:

Canadian Organic Growers	<a href="http://www.cog.ca">www.cog.ca</a>	(613) 231-9047
Organic Producers Assoc. of MB	<a href="http://www.opam.mb.ca">www.opam.mb.ca</a>	(204) 748-1315
Keystone Agriculture Producers	<a href="http://www.kap.mb.ca">www.kap.mb.ca</a>	(204) 697-1140
National Farmers Union	<a href="http://www.nfu.ca">www.nfu.ca</a>	(204) 734-3644
Manitoba Agriculture and Food	<a href="http://www.gov.mb.ca/agriculture">www.gov.mb.ca/agriculture</a>	(204) 745-5643
Agriculture Renewal Alliance	c/o Rene Van Aker (U of M)	(204) 474-6080
Back to the Farm Research Fdn.	c/o Elmer Laird	(306) 567-4260
Leopold Center for Sustainable Ag.	<a href="http://www.leopold.iastate.edu/">www.leopold.iastate.edu/</a>	(515) 294-3711
Holistic Management Courses	<a href="http://www.holisticmanagement.org">www.holisticmanagement.org</a>	

